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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

MPs to endorse Rhodesia polls

All-party British Parliamentary delegation observing the Rhodesian elections is expected to describe the three-day exercise as an acceptable test of African opinion.

Final figures were not available when polling ended, but it was clear that there had been a turnout of more than 85 per cent of the estimated 2.8m electorate.

The British delegation hopes to release its report this weekend. Page 2

Women freed

Guerrillas occupying the Dominican Republic's embassy in Bogota, Colombia, freed the last five women hostages. They were still holding 50 men, including at least 15 ambassadors

China reshuffle

China's Vice-Premier Deng Xiaoping dismissed the top four pro-Mao members of the Communist Party's Politburo. Back Page

Hostage hope

UN Commission expects to see the 49 hostages held at the U.S. embassy in Tehran within two days. Page 2

Apartheid blamed

South African Government inquiry exonerated police for ruthless supression of the black student revolt which caused the Soweto riots, but blamed apartheid as a contributory factor. Page 2

Transplant row

Leicestershire Coroner Michael Charman, at the centre of a row over heart transplants, said he found spare-part surgery "distasteful"

Allon dies

Former Israeli Foreign Minister Yigal Allon, a leading candidate for the Premiership at the next elections, died, aged 62. Page 2

Premier resigns

Thai Premier Kriangsak Chomanan, 62, resigned, following criticism of his economic policies. Page 2

Tito 'failing'

Doctors attending Yugoslavia's President Tito said that he had again failed to respond to treatment.

Home rule bid

Andalucia's attempt to win home rule failed because two provinces did not vote for the plan by an absolute majority. Page 2

Dissident rights

South Korea restored the civil rights of 687 political opponents of President Park Chung Hee, assassinated in October. Page 2

Jailing report

Foreign Office was waiting for a full report from Iraq on the case of British businessman John Smith, jailed for life for attempted bribery.

Laker hits out

Sir Freddie Laker said the proposed British Airways £20 single cross-Channel fare from April 1 was a "Mickey Mouse" effort to frustrate his bid for cheap European fare routes. Page 3

Fit as a fiddle

William McIlroy, 72, thought to have had at least £1m of Health Service care through duping doctors at over 80 hospitals, is on the march again, in the guise of a disabled seaman.

Briefly . . .

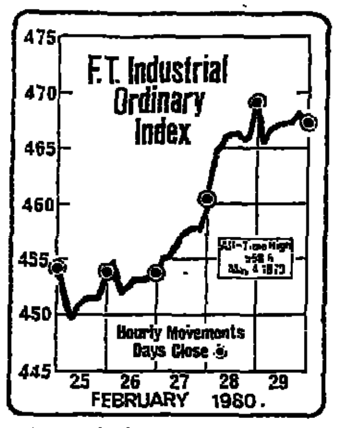
Mild, settled weather is forecast for March. Back Page

Leap Year quintuplets, all boys, were born near Johannesburg.

BUSINESS

Sterling off 1.2c; golds up 5.9

● EQUITY leaders regained early losses and the FT 30-share index closed 2.0 lower at 467.1,



a rise of 12.9 on the week. Golds continued to rise, closing 5.9 up at 377.9.

● GILTS were dull on tight credit conditions and shorts lost up to ⅜ and longs up to ¾. The Government Securities index fell 0.39 to 64.95.

● STERLING fell 1.2c to $2.2730, but its trade-weighted index rose to 73.2 from 73.1.

● DOLLAR continued to rise, closing at DM 1.7765 (1.7630), and its index rose sharply to 86.6 (86.1).

● GOLD fell $1 an ounce to $640.50 in London.

● WALL STREET was 3.58 higher at 858.02 near the close.

Thorn scraps Locatel bid

● THORN ELECTRICAL has abandoned a £25.5m bid to take over Locatel, France's largest TV rental company, following a blocking move by the French Government. Back Page

● BLUE CIRCLE Industries' £33m bid for Armitage Shanks, the sanitaryware company, has been referred to the Monopolies Commission. Back Page

● WEST GERMAN parliament has amended its cartel laws to prevent companies with more than DM 1bn (£248m) turnover acquiring concerns with more than DM 4m sales. Page 2

● DEPARTMENTS of Energy and Social Security are likely to propose a new £100m fuel discount scheme to help energy saving measures and meet heating bills for the poor. Back Page

● SUPERMARKET chains are having their canned food supplies rationed by food companies because of a growing shortage of tin cans following the steel strike. Page 3

● IMPERIAL TOBACCO and Carreras Rothmans are to increase the price of cigarettes by 2p on a packet of 20. Page 15

● BL CARS union leaders stood firm yesterday in rejecting the company's pay deal, thus putting the onus on the management to break the deadlock. Page 3

● A FURTHER 900 jobs will be lost in the clothing and textiles industries with three plant closures in the North of England and Northern Ireland. Page 3

COMPANIES

● FERODO, the French vehicle components group estimates that its consolidated net profits last year will total FFr 190m (£20.13m), up 20 per cent on 1978. Page 17

● MATSUSHITA Electric Industrial Company of Japan reports consolidated net profit up 16 per cent to a record Y98.3bn (£173.2m) last year. Page 17

● WOODHOUSE and Rixson (Holdings), the forging group, reports taxable profits down from £459,000 to £388,000 for 1979. Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
[illegible]	52	+	6
[illegible] Fisheries	62	+	5
Atlantic Assets	134	+	9
[illegible] Hsehld Strs	96	+	10
[illegible]	44	+	7
[illegible]	188	+	6
[illegible]	310	+	10
[illegible] Bros.	92	+	6
Courts (Furnishers) A	100	+	6
Estates & Agency	84	+	6
Gestetner A	108	+	12
Green's Economiser	290	+	12
[illegible]	128	+	7
[illegible]	298	+	14
[illegible] & Prov. Shop	219	+	7
[illegible]	119	+	6
[illegible]	185	+	20
[illegible]	48	+	4
LASMO	528	+	28
Siebens (UK)	930	+	40
Metals Exploration	67	+	8
Western Mining	250	+	10
Winkelhaak	£15¼	+	¾
Zambia Copper	52	+	8
FALLS			
Treasury 9¾% 1983	£85[illegible]	−	[illegible]
Exchqr 12% 2013-17	£85¼	−	¼
Armitage Shanks	77	−	24
Assoctd. Dairies	180	−	8
Bowring (C.T.)	136	−	4
Campari	75	−	5
Fisons	289	−	6
Hawker Siddeley	184	−	6
Needlers	44	−	6½
Newmark (Louis)	335	−	25
Tarmac	234	−	[illegible]
Central [illegible]	£24½	−	[illegible]

Impending CEGB loss threatens power programme

BY RAY DAFTER, ENERGY EDITOR

The Central Electricity Generating Board, which is heading for an unexpected loss this year, is likely to defer or cancel certain large capital projects. Sales have been below budget and the board is carrying exceptionally large fuel stocks.

A review of the board's spending plans might affect the £10bn to £12bn nuclear expansion programme, due to start in 1982. It might also lead to the mothballing of two largely finished oil-fired plants in Kent: the Isle of Grain and Littlebrook D stations.

The board, which had hoped to make £88m profit in the present financial year, has told its regions and divisions to save money, even at cost to standards of service. The result might be an increased risk of power cuts during peak winter demand.

The board has also halted recruitment from outside the industry and warned staff that there might be some redeployment within the organisation. It is not planning redundancies.

Mr. Glyn England, the Board's chairman, has told staff that the difficulties arise because of inflation—particularly the steep rise in fuel prices—and lower-than-expected demand in electricity supplies.

Electricity sales, affected by the engineering strikes last summer, have again been dented by the steel strike. The board, which satisfied a record peak demand of 44,219 megawatts in January, estimates that the steel stoppage has reduced its load by up to 1,000 megawatts. The mild winter also reduced demand.

In view of the economic recession, electricity sales might fall in the coming financial year and possibly remain static or grow very slowly for several more years. The board, which made a net profit of £65.8m in the last financial year, would find that its fixed overhead costs would rise in relation to sales, Mr. England said.

"We face a disturbing prospect: a vicious circle of rising electricity prices causing further reductions in demand, which in turn push up prices still more. And higher prices feed inflation and bring social problems in their train."

The board has started to discuss its financial position with the Energy Department. A key issue is the external financing limit of the electricity industry: £187m a year at present.

Mr. England said that although argument might arise about the level of the limit, the discipline was good. "There is no bottomless purse."

The Energy Department said that the finances of the electricity industry as a whole were being reviewed. "We appreciate that the Board has faced increases in fuel prices and is seeking to identify economies."

Whether the borrowing limit is extended will partly determine the severity of project delays and cuts. The Board may decide to delay the start of work on the nuclear expansion programme.

However, that would reverse the Government's intentions, announced in December, to accelerate building of 15,000 megawatts of additional nuclear capacity.

Other projects that might be affected include the 2,000 megawatt cross-Channel cable link, costing the board £180m. That is a collaborative venture with Electricité de France, and the board may meet resistance to a delay.

Construction of two nuclear plants, work on which is to begin this year, might be deferred: the Heysham Stage Two project, costing an estimated £900m; and the Torness plant, expected to cost £742m.

£100m fuel scheme to aid poor, Back Page

U.S. asks Saudi Arabia for oil reserve supplies

BY DAVID BUCHAN IN WASHINGTON

MR. CHARLES DUNCAN, the U.S. Energy Secretary, flew yesterday to Saudi Arabia with a pressing request that the Kingdom maintain its oil production at 9.5m barrels a day so that the U.S. can resume buying for its strategic oil reserve without disrupting the world oil market.

As a sweetener to the Saudi government, which is believed to be anxious to drop production to the normal level of 8.5m barrels a day, the U.S. is reported to be offering the Saudis a say in how the stockpiled oil is used.

Energy officials refused yesterday to comment on this latter aspect, but said the administration was keen to start buying for the reserve as soon as possible. The reserve, housed in Texas and Louisiana Salt Domes, is only 92m barrels. U.S. purchases for it were halted during last spring's Iranian revolution.

A firm indication that the U.S. Government intends to come back into the market came in last month's budget for 1980-81, in which the administration asked Congress to authorise $1.3bn (£570m) for oil purchases at an average rate of 100,000 barrels daily later this year.

The administration has also given U.S. allies among industrialised oil-importing countries tentative notice of its intention — as Jimmy Carter promised to do at last summer's Tokyo summit. But energy department officials stress that the key is prior Saudi agreement to maintain production at 9.5m barrels.

Initial indications are that the Saudi's are much less than enthusiastic to keep up this high rate of production indefinitely, given the example of Iran which is seen as evidence that a high rate of extraction and consequent money pumped into the economy can threaten a Middle-east country's political and social fabric.

U.S. officials argue that creating the market conditions for a build-up of the American oil reserve could be seen as Saudi Arabia's contribution to the defence of the Gulf region, since U.S. forces, which President Carter has put on hand for a Gulf emergency, would obviously draw on the reserve. Saudi has shied sharply away from offering the U.S. anything as overt as military bases.

Mr. Carter's ambitious goal for the U.S. oil reserve is still to build it up to 750m to 1bn barrels by the end of the 1980s, as an insurance against oil embargos or cut-offs.

U.S. prime rate up to 16¾%

BY DAVID LASCELLES IN NEW YORK

THE U.S. prime rate rose another ½ per centage point yesterday to a record 16¾ per cent, possibly only a staging post to a primate of 17 per cent or more.

But the rise gave the dollar a small boost. By early afternoon, it had gained just over a cent against the D-mark, to DM 1.77. Sterling also lost a cent against the dollar, to $2.27.

Bank of England has extended its help to the money markets for another month in an effort to contain interest rates. Back Page

The rise also overshadowed some apparently good news. The leading economic indicators for January were down 0.7 per cent, the fourth consecutive monthly decline, suggesting that the U.S. economy may be cooling off slightly.

The move was triggered at 10 am by Citibank, the large New York bank which usually sets its prime each Friday morning, using a formula based on the cost of short term funds. Most major banks followed by noon.

The increase means that this key lending rate has soared by 1¾ per centage points in just four weeks. It stood at 15 per cent until the end of January, but jumped in three quick steps to 16¼ per cent by the beginning of this week.

Yesterday's rise had been widely expected, following the tightening of short term interest rates in the wake of the Federal Reserve's increase in the discount rate to 13 per cent on February 15. The banks' cost of funds has soared, and credit demand from business has also been strong at the short end of the market.

However, the market clearly expects rates to rise further. Most economists believe the Fed will have to tighten credit yet again if it is to get a grip on inflation. Unless there is a major change in the economic outlook, this could come in the next three or four weeks.

It was also evident from the Fed's operations in the open market yesterday that it wants short rates to rise. In the surge which followed the prime rate increase, the Fed allowed the key Fed funds rate to reach 17 per cent before it intervened. It also acted to prevent the rate falling below 15¾ per cent. Fed funds had closed on Thursday night just below 16 per cent.

U.S. leading indicators, Page 2

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Faltering start to initiative on steel

By Christian Tyler, Labour Editor

THE POLITICAL initiative by Mr. James Callaghan, leader of the Opposition, for third-party intervention in the nine-week steel strike made a faltering start yesterday.

The principal unions in the British Steel Corporation strike will hold a delegate conference on Tuesday ostensibly to consider ways of intensifying their action.

But it is possible that contacts between the strike leaders and Labour Party front-benchers over the week-end will persuade the dominant Iron and Steel Trades Confederation to put the suggestion of some kind of mediation on the agenda of that conference.

Mr. Bill Sirs, general secretary of the ISTC, was meeting Mr. Michael Foot, deputy leader of the Opposition, last night.

Mr. Callaghan's proposal was barely discussed yesterday when the lay national executive of the ISTC decided to maintain its sympathetic strike instruction in private steel companies in spite of large defections.

The union estimated that 9,000 of its 20,000 private sector members were back at work, and decided to permit union officials at those plants to go back to work with their members.

Mr. Sirs did not rule out some kind of third-party assistance in the dispute, saying that the BSC itself was now virtually incapable of resolving it.

But he again registered his mistrust of formal arbitration—which normally means that both sides agree to be bound by the results—as offered time and again by the BSC. He also appeared sceptical of the chances of the Advisory, Conciliation and Arbitration Service producing a solution. But he said the union would "look at any option."

Mr. Callaghan's suggestion during Thursday's censure debate in the Commons was apparently planned well in advance, and Mr. Len Murray, TUC general secretary, was given the job of lining the unions up behind it.

Some disagreement in the ranks of the craft unions has fogged the issue. Tuesday's conference will consist of delegates of the ISTC, the National Union of Blastfurnacemen and the Transport Workers, who have now allied themselves with the other two.

The Transport Workers' union has promised to tighten up on the movement of steel by drivers and dockers, and Mr. Sirs said

Continued on Back Page
Manufacturers ration canned foods. Page 3. Ministers back Thatcher line, Page 3

Steel plant closure costs 1,500 jobs

BY HAZEL DUFFY AND ROY HODSON

LAIRD GROUP is to close its Patent Shaft Steel Works in West Bromwich, a modern steel plate complex, with the loss of 1,500 jobs.

It denied that the steel strike was the chief factor in the decision.

Patent Shaft is the leading producer of steel plate in the UK after the British Steel Corporation and has been increasing its market share. By international standards, it is an efficient plant that was profitable in 1978 and broke even the two previous years.

Last year, however, it lost more than £2m, largely as a result of weak prices because of a world glut in steel plate.

Laird said yesterday that losses in the present year looked like being at least as high as last year. Although the plant enjoyed a very good month in January, the first month of the steel strike, it has been closed since the strike spread to the private sector.

Engineering

Mr. Bob Scholey, chief executive of the British Steel Corporation said last night: "We have said all along that pressures to change the line (on the steel pay claim) were in the end bound to take their toll. Here, regrettably, is such an instance, and I would like to think that the tade unions take notice of it. This is tolling the knell of parting day."

The Laird Group's main activity is engineering; it includes the Metro-Cammell railway and bus companies. As a group, it appeared to be doing better than the engineering sector as a whole when it published its first-half results for last year.

The difficulties at Patent Shaft reflect world oversupply of steel plate. Some plants are working at half capacity or less, after the fall in demand from customers in shipbuilding, heavy engineering and construction.

The surplus of plate production capacity over demand worldwide is so great that it is doubtful whether any producer can make money at prevailing price levels.

Investment

Patent Shaft has been squeezed by several factors. They include the low cost at which plate can be imported into Britain, the volatile prices of scrap to feed the company's electric arc furnaces in recent years, and competition from the big integrated strip steel mills, which are selling hot rolled coil steel for conversion into plate form by steel stockholders.

The plant sells most of its output to the heavy engineering industry, which has suffered from lack of orders for several years.

It managed to stay in the black largely as a result of the benefits of heavy investment, totalling £11m, over the past few years. The larger part of that went on two electric arc furnaces, which came into operation in mid-1970s. The decision to modernise was taken in 1973, when steel was in short supply.

The workforce was told late last year that the plant might have to be closed, after efforts to find a buyer had failed.

Duport to make 300 workers redundant

BY ROBIN REEVES

FURTHER private steel jobs are to be lost at Llanelli, West Wales, where Duport Steel is to make 300 of its 1,560 workforce redundant.

Mr. Colin Cook, managing director, said that the cutback had been occasioned by the deepening recession and by loss of markets arising from increased imports of semi-processed finished components.

Duport's special steel plant makes billets. It has been at a standstill since the private sector was brought into the national steel strike last month. However, its employees are to return to work tomorrow morning.

Mr. Cook said that the stoppage had aggravated the position, but the company's main worry was a fall-off in orders from customers, particularly in the motor industry, which were evidently switching increasingly to imports for their requirements.

Duport had every confidence in the future of the Llanelli plant, he emphasised, but it had become necessary to reduce costs.

Lex, Back Page

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Allied Hambro Group	107.2	118.2	167.4	162.9	288.1	194.3	147.1	185.3	250.7
Barclays Unicorn Group	107.4	118.4	168.6	162.2	316.8	191.4	140.6	165.8	247.9
BRITANNIA GROUP	**111.7**	**121.3**	**166.1**	**160.5**	**244.0**	**211.2**	**168.1**	**209.1**	**323.1**
Henderson Unit Trust Management	100.4	120.1	153.6	158.1					
Hill Samuel Group	100.6	104.7	139.0	139.8	286.9	196.0	150.5	167.7	221.5
Lloyds Bank	102.8	111.2	150.8	150.2	319.6	177.7	127.8	146.6	201.7
M&G Group	108.1	123.1	174.5	176.1	318.2	208.1	159.2	209.3	310.4
National Westminster Bank	101.2	107.1	123.8	125.5	227.2	162.9	121.5	148.0	202.2
Save and Prosper Group	100.8	108.0	132.8	135.2	246.1	154.1	111.9	133.5	183.2
Target Group	107.0	110.0	152.0	153.0	255.2	161.5	117.1	132.3	186.0
TSB Trust Company	105.3	111.2	158.1	161.4	345.1	194.6	144.8	163.6	225.1
Tyndall Group	93.0	100.6	146.2	142.8	296.1	157.3	109.8	129.1	180.4
BRITANNIA'S POSITION	**1st**	**2nd**	**4th**	**6th**	**10th**	**1st**	**1st**	**2nd**	**1st**

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British MPs expected to endorse Rhodesia election

BY MICHAEL HOLMAN IN SALISBURY

THE ALL-PARTY British Parliamentary delegation which has been observing the Rhodesian elections is expected to describe the three-day exercise as an acceptable test of African opinion.

Final figures were not available when polling ended last night, but it was clear that 85 per cent of the 2.8m electorate had voted—2m by the end of the second day—with officials estimating that a further 500,000 had cast their votes yesterday.

The British delegation, which includes Mr. Geoffrey Rippon of the Conservative Party, Mr. Ted Rowlands and Miss Joan Lestor of the Labour Party, and Mr. Russell Johnstone of the Liberals, hope to release their preliminary report this weekend.

Their favourable assessment is likely to be backed by the London-based Catholic Institute for International relations, which was highly critical of last year's "internal settlement" election.

Results will be announced on Tuesday, but there seems little doubt that Mr. Robert Mugabe's ZANU-PF will emerge as the largest party in the 100-seat Parliament.

Mr. Willie Musarurwa, publicity secretary of Mr. Joshua Nkomo's Patriotic Front, claimed yesterday that multiple voting had turned the election into a "gigantic fraud."

In a letter to Lord Soames, the Governor, Bishop Abel Muzorewa, the outgoing Prime Minister, hinted he might not accept the result, declaring that because of intimidation "the correct will of the electorate may not be demonstrated."

All the main parties have in effect declared that any result which leaves them the loser is open to challenge on grounds of intimidation. But the consensus of observers and journalists is that despite coercion of voters in some areas, the outcome will fairly reflect African opinion.

Independent tests appear to confirm earlier reports that the dye used to prevent multiple voting can be at least partially removed with Coca Cola. Voters have had to dip their hands in invisible dye which shows up under ultra-violet machines installed at all polling booths.

The discovery is already being used by some political parties to back their claims that many of the electorate have voted twice. Election officials maintain that enough traces of the dye remain for detection, and cases of double voting are due to lax supervision.

Commanders of Zipra and ZANLA, the guerrilla armies of Mr. Nkomo and Mr. Mugabe, were expected last night to broadcast directives to their men to remain in the 12 assembly places after the election result.

Some units of the 1,300-strong Commonwealth Monitoring Force are preparing to pull out of the camps on Monday, leaving behind an undisclosed *number of* British troops, supplemented by Rhodesian policemen who have been moving into the camps over the past week.

Gen. Kriangsak: price rises opposed

Thailand Premier's surprise resignation

By Our Foreign Staff

THAILAND'S Prime Minister, General Kriangsak Chomanan, announced his resignation yesterday at a joint session of Parliament which had been called to hear an explanation of his Government's decision to raise fuel prices.

His surprise resignation follows widespread criticism of his Government's economic policies and growing labour agitation. It is unlikely, however, to lead to any substantial change in Thai policy towards Vietnam, or China, or in relations with other members of the Association of South-east Asian Nations

The fuel price increases, which ranged from a 25 per cent rise for premium-grade petrol to 57.7 per cent for paraffin, were announced on January 10. They resulted in a public outcry which the Opposition seized on to call for a confidence debate. The debate was due to take place on Monday. Parliament will now meet in closed session to consider the question of Gen. Kriangsak's successor.

Thailand's inflation rate last year was 14.9 per cent and at the beginning of this year was estimated to be running at close to 20 per cent. The trade deficit in December was up to Baht 4.2bn (£90m) compared with Baht 2.2bn in December 1978. The higher cost of oil imports contributed *heavily to this deficit*, with the oil bill last year reaching $1.5bn. Oil imports are likely to cost $2.5bn this year.

When Gen. Kriangsak announced higher electricity prices last November, major unions threatened to take to the streets in protest, and *the Government rescinded the* decision. On fuel prices the General seemed unlikely to back down.

Although some observers feel the resignation may be a tactical ploy, allowing the General to strengthen his following and resume power later, *most think the job will* go initially to someone else.

A likely candidate is Gen. Prem Tinsulanond, commander of Thailand's army and Defence Minister

Opposition leaders have already indicated that they would find Gen. Prem an acceptable replacement Prime Minister and he would command wide support within the armed forces.

Under Gen. Kriangsak, the Thai Government has refused to recognise the Government of Heng Samrin installed in Kampuchea by Vietnam, and has warned Hanoi of dire consequences if its troops cross the Thai border in pursuit of guerrillas fighting the new Phnom Penh regime.

Another potential candidate for the premiership is Mr. Kukrit Pramoj, a former Prime Minister and now one of the opposition leaders. The *armed forces, observers believe*, are unlikely to find him acceptable.

Key weekend for U.S. hostages

BY SIMON HENDERSON IN TEHRAN

DIPLOMATS in Tehran expect this weekend to be crucial in current efforts to resolve the U.S.-Iran crisis on the basis of the work of the United Nations commission, at present investigating the Shah's regime. *The* big question is whether the commission will be able to see the 50 hostages at the U.S. embassy, who have been prisoners for nearly four months.

Mr. Sadegh Qotbzadeh, the Iranian Foreign Minister, *announced on Thursday night*, after a meeting of the ruling Revolutionary Council, that the commission could see the hostages. The militant students holding the embassy had said earlier that the commissioners could not see their captives.

Once again the issue has become: "Who rules in Iran?" Even if the commission does see the hostages, there remains the question of what the circumstances will be. Iran has been emphasising *the first part of the* commission's mandate from Dr. Kurt Waldheim concerning the country's grievances against the Shah. The hostages might be presented as witnesses on that issue.

The commission is believed to see any visit as part of the *second half of its mandate*—"to seek an early solution to the U.S.-Iran crisis." The circumstances of any visit will also be important for the Government of President Abol Hassam Bani-Sadr, who has been trying to end dual authority in Iran since his election a month ago.

So far, the commission, made up of members from France, Algeria, Venezuela, Syria and Sri Lanka, has said its work is *going well*.

In the past five days, the commission, besides meeting the President and Mr. Qotbzadeh, has taken evdience from Iranian human-rights lawyers and from alleged victims of the Shah's secret police. Details of alleged *embezzlement have been pre*sented by the governor of the central bank.

The commission expects to leave Iran next week and will go to Geneva to draft its report, which will later be presented to Dr. Waldheim.

Win for Government in Andalucia

BY ROBERT GRAHAM IN MADRID

THE SPANISH Government has narrowly won its way over the *future course of regional* autonomy in Andalucia as a result of Thursday's referendum in the region. In so doing, it has alienated all political parties except the extreme Right.

The referendum was to decide whether Andalucia should adopt a rapid mechanism for negotiating autonomy, the same used by the three "historic" regions—the Basque country, Catalonia and Galicia.

The Government and the extreme Right opposed this procedure, under Article 151 *of the Constitution*. Provisional results show that 55 per cent of Andalucia's 4.4m electorate endorsed negotiating autonomy. But this overall majority is constitutionally insufficient.

Each of the region's eight provinces had to obtain individual majorities. The two most depressed provinces, Almeria and Jaen, were below the margin, returning Yes votes of 42 per cent and 49.3 per cent respectively.

The most Yes votes were recorded in Seville Province with 65 per cent, followed by Cordoba with 60 per cent. Those campaigning for the referendum had been the Socialists, Communists, the Andalucian Socialist Party, other Left groups and some breakaway members of the ruling Union de Centro Democratico, headed by Sr. Manuel Clavero Arevalo, a former Minister.

They were unanimous yesterday in claiming the result as a moral victory for themselves, and a Pyrrhic victory for the Government.

Before the vote, all opinion polls had pointed to the conservative attitudes and abstentionist intentions in provinces such as Almeria and Jaen. The *extent of the Yet vote was*, therefore, substantially greater than expected.

The outcome is expected to create much bitterness in Andalucia. The Basques and Catalans, who negotiated autonomy the "quick" way last October, endorsed their status by a lower overall vote.

In these referenda, the overall vote in favour was 53 per cent and 52 per cent respectively. While the Andalucians have demonstrated greater electoral enthusiasm, they will now have to wait much longer and obtain a vaguer form of devolution.

The referendum, coupled with heavy-handed Government efforts to prevent a Yes vote, have aroused a new sense of Andalucian identity. The Government's task will now be harder than if it had supported the other process under Article 151.

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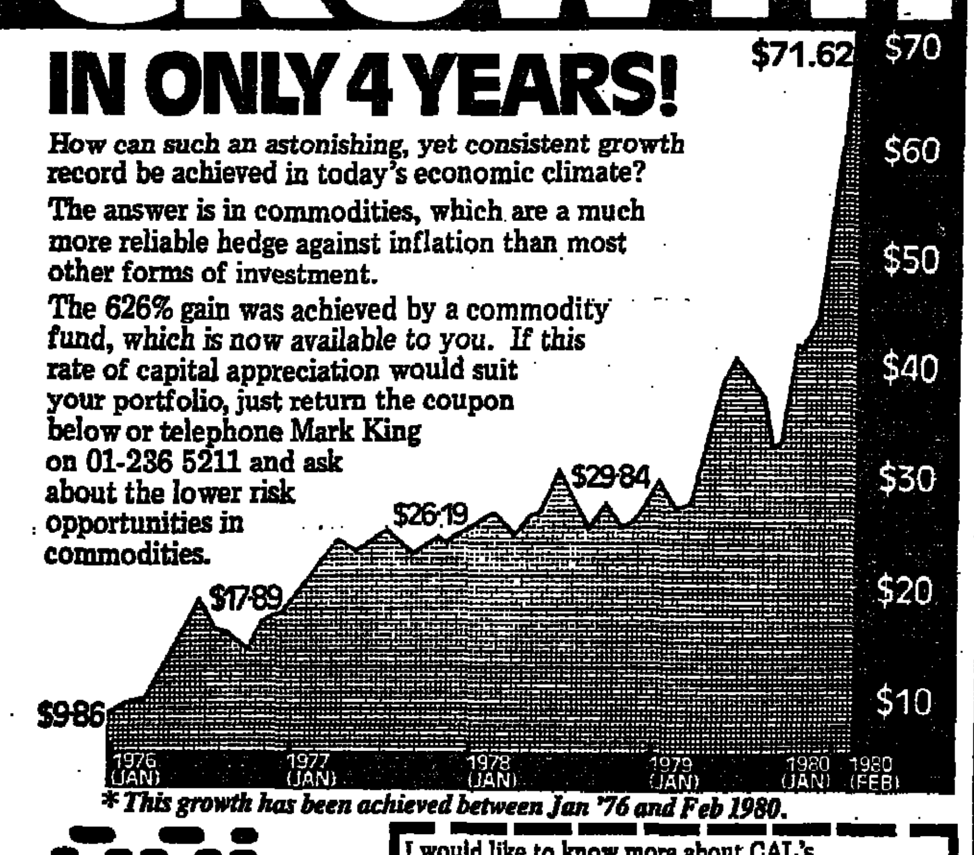

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Apartheid blamed for Soweto riots

BY QUENTIN PEEL IN JOHANNESBURG

A GOVERNMENT inquiry yesterday exonerated South African police for their ruthless suppression of the black student revolt which caused the Soweto riots of 1976, but blamed *apartheid as a major contributory* factor.

The 600-page report of the Cillié Commission on the bloody revolt, which spread across the country and left 575 dead—more than 450 of them shot by police—was presented to *parliament* yesterday, three years and eight months after Judge Piet Cillié was appointed to the task.

Although he defends the use of guns to suppress the riots, Judge Cillié blames both police and black education officials for their failure to predict and defuse the violence.

He also blames widespread "agitation and intimidation" within the black community for the spread and duration of the violence across the country.

The report—published only in Afrikaans, the language whose compulsory use in Soweto schools sparked the first riot—makes no recommendations and criticises no senior members of the Government or administration.

But it admits that a string of laws fundamental to the apartheid system were respon*sible for the climate of "frustra*tion, resentment and resistance" which led to the riots.

Judge Cillié said: "Virtually all legislation regarding relations between races is separationist, and seen by blacks and coloured as unjust and discriminatory," he said.

He singled out the Homelands policy, influx control over the free movement of blacks, group area laws segregating residential areas, and the broad issues of housing, wage differentials, transport and recreational facilities.

The report criticises officials for their disregard of black objections to the compulsory use of Afrikaans for instruction, but does not criticise Dr. Andries Treurnicht, the extreme Conservative who as Deputy Minister of Bantu Education was responsible for its enforcement.

Criticism of police concerns only their unpreparedness for the disturbances and makes no mention of Mr. Jimmy Kruger, the Minister of Police, who dismissed suggestions that methods of riot control other than gunfire should be used.

Despite the death toll caused by police gunfire, the report concludes that "in no known case was it found that a policeman using a firearm was criminally liable for the death of any specific person." Nor was police action responsible for the explosion of rioting.

There is little comfort for the Government in the report. It warns that the coloured (mixed race) community has been largely alienated by whites because of the "unatural separation of population groups" and were joining blacks in the struggle to improve their lot.

Judge Cillié urges the fullest use of channels of communication between the races and warns: "This is no guarantee that discontent and rebellion will not occur, but if these channels are not used, it will be *virtually impossible to avoid* revolt."

New fall in U.S. index may signal recession

BY DAVID BUCHAN IN WASHINGTON

A U.S. Government index designed to gauge future trends in the economy dropped 0.7 per cent in January, the fourth consecutive monthly decline, the Commerce Department reported yesterday.

The long-expected U.S. reces*sion has counfounded almost all* forecasts by its tardiness—the official Carter Administration estimate is that the economy will turn downwards in the first half of 1980.

The composite index of leading indicators is by no means infallible. But movement in the same *direction over three* months is generally taken as an accurate trend, and yesterday's news may be a clear signal that the recession is at last arriving.

Much less clear, however, is how the politicians intend to deal with the country's most pressing problem, inflation, *which few economists* expect to be moderated by a downturn in economic activity.

The Carter Administration is reviewing and consulting with Congress on a whole series of extra counter-inflation measures, including further cuts in the current and 1980-81 Budgets and *possibly some direct credit* controls.

A group of more than 40 Senators came out forcefully this week in favour of tying Federal spending to a flat 21 per cent of Gross National Product—thus cutting Mr. Carter's new Budget request by *$25bn-$30bn. But a joint* Senate and House Committee has favoured a $25bn tax cut

The Administration has flatly rejected the idea of a tax cut while the U.S. inflation rate is still so high. Over the last three months, it rose at an annual rate of 15.6 per cent.

The Administration may find itself caught between the two camps developing on Capitol Hill. It evidently does not want to go as far in wielding the Budget axe as the spending-cutters in the Senate, who yesterday asked for an urgent meeting *with President Carter*

Budget cuts seem much the most likely measure to emerge from the President's present anti-inflation review. But the mooted reductions are of the order of $10bn, spread over two years.

The Administration has also flatly rejected the idea of a *general tax cut*

Belgrade talks on neutral Kabul

BY ANTHONY ROBINSON IN BELGRADE

TALKS ON the European Community's proposal for the creation of a neutral Afghanistan and the withdrawal of Soviet troops has formed a major part of discussions in Belgrade over the past two days between Mr. Roy Jenkins, president of the European Commission, and Yugoslav leaders.

The purpose of Mr. Jenkins' visit was to underline the importance which the commission attaches to the initialling last week of a new five-year agreement with Yugolsavia. This provides virtually free entry into the EEC for most Yugoslav industrial goods, triples its baby beef import quota and provides for nearly $300m in development loans.

Mr. Veselin Djuranovic the Prime Minister and other leaders expressed satisfaction with the agreement, which, after two years of desultory talks, was completed in record time on the strength of a new political commitment in the wake of the Soviet invasion of Afghanistan.

Mr. Josip Vrhovec, the Foregin Minister, who has just returned from a visit to India and other Asian countries, explained reservations felt by the non-aligned movement over the inference of great power intervention implicit in proposals to "neutralise" Afghanistan.

Mr. Jenkins explained that this aspect had been taken into account when the Community adopted the proposals, originally put forward by Lord Carrington, the British Foreign Secretary, at a meeting in Rome last week. That was why the Community was pressing for moves to ensure the emergence of a neutral Afghanistan rather than the imposition of neutralisation.

David Housego adds: Britain has formally put to the Soviet Union its proposals for a neutral Afghanistan. The Foreign Office disclosed yesterday that the plan was outlined to Mr. Nikolai Lunkov, the Soviet ambassador on Thursday.

With every sign that the Russians are preparing to reinforce their troops in the event of renewed agitation in Afghanistan, officials are sceptical of a positive Russian response to the neutrality plan.

In Washington, the Russian ambassador Mr. Anatoly Dobrynin yesterday saw Mr. Cyrus Vance, the U.S. Secretary of State.

Argentina defies embargo

BY JOHN EDWARDS, COMMODITIES EDITOR

THE U.S. embargo on grain sales to the Soviet Union received a double setback yesterday.

Argentina has stepped up sales to Russia of both maize and wheat, and the U.S. Department of Agriculture has forecast a higher than expected grain crop in the USSR.

The Soviet Union has bought 1.5m tonnes of Argentinian maize at premium prices, and has doubled its wheat purchases from 1m to 2m tonnes. Grain traders said the Soviet Union has also bought 60,000 tonnes of linseed oil and 20,000 tonnes of sunflower seed oil from Argentina.

Argentina has consistently denied U.S. claims that it was prepared to support the embargo the U.S. imposed after Russia invaded Afghanistan. The extra grain sales to the Soviet Union would provide concrete evidence that Argentina is pursuing an independent line. But the size of its potential sales will be limited by the bad drought hitting its grain crop.

The weather is apparently being kinder to the Soviet Union. The U.S. Department of Agriculture said the outlook for the Soviet winter grain crop appeared "favourable": with losses due to cold weather likely to be less than usual.

Mr. Yigal Allon: enjoyed wide popularity

Yigal Allon dies after heart attack

By Our Tel Aviv Correspondent

THE DEATH of Mr. Yigal Allon yesterday removed a formidable challenger from the list of contenders hoping to become Israel's next Prime Minister.

A commando leader in the 1948 war of independence, Mr. Allon, 62, served in most of the Governments formed by the Israel Labour Party up to the time it lost office in May, 1977.

As a native-born Israeli, from a farming family in the Galilee *region, Mr. Allon enjoyed wide*spread popularity and was widely fancied to wrest the Labour leadership from his rival, Mr. Shimon Peres. His death, after a heart attack, appears to leave Mr. Peres with no serious rival.

Recently, Mr. Allon, a former *Foreign Minister*, had been busy rallying support for a campaign to supplant Mr. Peres as Labour leader. He declared he would be a candidate for the leadership at the party's national convention in April.

In Israeli terms, Mr. Allon *was regarded as a moderate*, because he favoured returning much of the occupied West Bank and Gaza to Arab control.

W. Germany tightens merger law

BY LESLIE COLITT IN BERLIN

WEST GERMANY has changed its cartel law to enable the Federal Cartel Office to step in and prevent large companies taking over medium and small-sized firms and to stop mergers between large companies.

In an amendment supported by all three parties in the Bundestag, the Cartel Office in Berlin has been given the power to begin anti-merger proceedings if a company with turnover of more than DM1bn (£249m) seeks to take over a company with sales of more than DM4m.

Until now, takovers of companies having up to DM50m turnover did not have to be reported to the Cartel Office.

The new law aims to prevent mergers between large and small companies in the same industry as well as conglomerate mergers.

Despite the new powers, the Cartel Office's chances of winning cases are not felt to have improved very much.

It must still prove that a takeover or merger creates or adds to a "market dominating position" which, in practice, has been extremely difficult

Herr Wolfgang Kartte, President of the Cartel Office, said the newly-amended cartel law represented a new "accentuation but not an extension of merger control." He noted that it was not "a decisive expansion in our range of action."

South Korea restores rights of dissidents

BY RONALD RICHARDSON IN SEOUL

THE South Korean Government yesterday restored the civil rights of 687 political opponents of President Park Chung Hee who was assassinated last October.

Among them was dissident leader Kim Dae Jung, who is expected to seek election as President when the country returns to a democratic system of Government by early next year.

Most were convicted under Presidential Emergency Decree No. 9, introduced by Park in 1975 to outlaw criticism of the country's autocratic constitution.

Among those who can now re-enter political life and stand *for public office is former* president Yun Po Sun, now 82, who was head of state when Park came to power in a military coup in 1961, and 21 other Opposition politicians.

Many of those covered by President Choi Kya Hah's reinstatement order were released from prison in December when the emergency decree was lifted.

Restoration of the dissidents' rights—especially those of Kim Dae Jung—has been anticipated as the Choi administration slowly dismantles the autocratic government system erected by Park.

The opposition New Demo*cratic Party (NDP), in particu*lar, has insisted that a new democratic constitution and elections to choose a successor to Choi's interim government could not win public support if many of Park's former opponents were excluded.

The rehabilitation is seen as the beginning of the political contest to choose a new president.

Kim Dae Jung, who is 54, in 1971 was the last man to contest the presidency with Park. As the NDP candidate, he won 46 per cent of the vote. Park *subsequently amended* the constitution to abolish direct elections.

Kim became the focus of opposition to Park's regime and for nine years suffered harrassment and detention. In August 1973 he was kidnapped from a Tokyo hotel room by agents of the Korean Central Intelligence Agency and returned to Seoul where he was tried for alleged violations of election laws.

In March 1976 Kim and 17 other leading opponents of Park issued a manifesto at Seoul's Catholic cathedral calling for a return to democratic government. He was jailed until December 1978 when, following *pressure by the U.S. Govern*ment, he was released into house arrest. This was lifted two months ago.

The former presidential contender has said he will rejoin the NDP and contest with Kim Young Sam, the party leader, for support as the party's candidate in the election.

The possibility of a split in the party seems unlikely as it would damage the chances of gaining power after 19 years' wait.

This transfer of power is considered likely by many *observers who* point to the results of parliamentary elections held a year ago—under Park's constitution—in which candidate aligned with the Opposition strongly outpolled the governing Democratic Republic Party.

Since Park's death the DRP has lost control of the Government although its new leader, Kim Jong Pil, is also regarded as a strong presidential contender.

The greatest unknown in the political contest is the army's role. With South Korea still under the martial law proclaimed at the time of Park's assassination, the army could veto any developments it opposes.

However, there has been no indication of military interference—possibly a result of warnings from the U.S. of the damage already done to the U.S. security relationship and to the country's international image, especially in world capital markets.

The rehabilitation of Kim Dae Jung is further evidence that the army will stay out of politics unless stability or national security seem threatened by political deadlock or public demonstrations.

Army leaders have let it be known that they consider Kim unfit to become President because of his left-wing activities in the late 1940s, but they seem to have tolerated his return to political life rather than risk public unrest—especially among students—if they tried to block him.

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Ministers support the Thatcher line

BY RICHARD EVANS, LOBBY EDITOR

MRS. THATCHER'S insistence that the Government would stick to its monetary and industrial policies in order to give *them time to take effect* was backed by senior Ministers *yesterday in an effort to quell* party pressure for a change of economic direction.

Both Mr. William Whitelaw, the Conservative Party's deputy leader, who is a considerable stabilising force in the Cabinet,

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and Mr. *John Biffen*, the hawkish Chief Secretary to the Treasury, emphasised the Government's determination to *maintain its objectives*, but gave a warning that it would take time to achieve them.

There are signs of a concerted *effort* by Ministers to end the semi-public squabbling in the Cabinet and on the backbenches over economic strategy. Critics are being urged to be more patient, and to give the policies more of a chance.

Mr. Biffen said in his Oswestry constituency it was a dangerous illusion to suppose tough measures produced quick remedies in economic affairs. *Substantial changes* had been introduced, but their impact *was inevitably delayed and often* undramatic.

Mr. Biffen, the *Minister* in charge of public spending cuts, said he had no doubt the essential objective of reducing inflation would succeed. "But there is a price to be paid for success, and there is a time scale over which success has to be earned. During that period we need cool heads and a calm temperament."

There were a few in the Tory Party arguing that the Chancellor's *policy* should be replaced, U-turned or discarded, he said. They were good-natured critics, but in the words of the radical campaigning song: "We shall not be moved."

The Conservative Party had chosen a leader and an Administration which acknowledged it would be some time before inflationary expectations were rolled back and the advantages of spending cuts and tax reforms became apparent.

"There can be no shrinking from the logic of the policies on which we were elected to tackle the problems *of inflation*. Those who think politics is a *matter of earning* a quick *buck* will be dismayed by this stark *realism*," said Mr. Biffen.

Mr. Whitelaw, speaking in Stockport, stressed that the *Government, under* Mrs. Thatcher's determined leader*ship, would remain steadfast* to its objectives. The national in*terest in these difficult times* demanded national cohesion.

The proposed legislation on trade union reform was a vital part of the Government's overall economic strategy, he said. "There is no realistic alternative to this strategy if we are to rebuild a genuinely prosperous society in which we can sustain improving public services."

But the country could not afford irresponsibility or the selfish use of industrial muscle to snatch more than had fairly been earned. A situation which permitted trade unions to inflict great damage on companies not involved in a dispute could not be accepted by the Government.

Plutonium fuel trade 'could help control nuclear arms race'

BY DAVID FISHLOCK, SCIENCE EDITOR

INTERNATIONAL trading in plutonium as a nuclear fuel could greatly help tighten controls on nuclear weapons, Dr. Walter Marshall, deputy chairman of the UK Atomic Energy *Authority, said* last night.

Dr. Marshall said that most countries would have no incentive to build nuclear fast breeder reactors — which need plutonium fuel—provided they were guaranteed a fair price for their spent nuclear fuel, containing plutonium, from present-day reactors.

Fast reactors, as plutonium-*fuelled reactors, are seen* by some governments as an *encouragement to others to* make plutonium weapons.

If countries with advanced nuclear technologies and large electricity supply systems were to pay a sufficiently generous price for spent fuel, other countries would be content to use present-day reactors for many years to come.

Dr. Marshall was speaking on the use of plutonium at the Royal Institution in London. The fast breeder type of reactor was not, he said, a prolific producer of plutonium. In fact, it yields plutonium much more slowly than some present-day reactors such as Britain's Magnox reactors or the U.S. pressurised water reactor (PWR).

All reactors make plutonium by transmuting uranium-238 into the new element under neutron bombardment. But all *reactors are also simultaneously* burning plutonium as a fuel.

The *Magnox* reactors have a net maximum gain of 617 kg of plutonium for each 1,000 MW-year of operation. Corresponding net plutonium production figures for other reactors are: Candu, 617 kg; PWR, 270 kg; and the advanced gas-cooled reactor, 173 kg. The advanced gas-cooled reactor (AGR) operates at a higher thermal efficiency than the other reactors.

But a fast breeder reactor of the same size, as designed at present, could produce a net plutonium gain of only 190 kg—similar to the AGR. This is because it is incinerating the fuel almost as fast as it is breeding it by transmutation in the blanket of almost worthless uranium-238 round the core.

Dr. Marshall emphasised that he was not advocating a free market in spent nuclear fuel. It was important that trading in spent fuel and plutonium should be backed up by international safeguards and management, and that all movements be closely supervised.

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Laker says EEC air fares are excessive

By Michael Donne, Aerospace Correspondent

SIR FREDDIE LAKER, chairman of Laker Airways, yesterday described the proposed British Airways £20 single Channel-hopper fare from April 1 as a "*Micky Mouse*" effort to frustrate his own bid *for a big network of cheap-*fare routes throughout Europe.

Sir Freddie, who was addressing the Transport Committee of the European Parliament in Brussels, also accused the airlines of the Common Market countries of enjoying "a cosy little monopoly" of European scheduled air routes.

The UK Civil Aviation Authority is currently considering a plan by Laker Airways to operate 666 cheap-fare scheduled routes throughout Western Europe, including 34 routes to Europe from Gatwick, based on the Skytrain pattern of no-reservations and no-frills service. A decision from the CAA is expected soon.

Homes law study

COUNCILS' complaints that the Housing (Homeless Persons) Act is leading to "queue-jumping" on homes waiting lists will be taken into account in a review of the law that is nearing completion, Mr. Geoffrey Finsberg, Under-Secretary for the Environment, told the Commons yesterday.

Abortion Bill setback

ATTEMPTS to salvage some *remnants of the Abortion* (Amendment) Bill were effec*tively frustrated yesterday* when the Common adjourned, leaving the already protracted report stage unconcluded.

French fruit move

FRENCH farmers have agreed to give information on fruit they plan to market in the UK, which, the National Farmers' Union hopes, will enable British growers better to plan their own marketing.

To promote London

THE Greater London Council is to employ an American public *relations* company to promote London as an industrial centre *in the U.S.*

The GLC said: "All the evidence *points* to the U.S. as a receptive market for London *developments and figures show* that direct investment from *there accounted for half* the total investment in Britain between *1971 and 1977*."

Tax deposit gain

INTEREST ON UK certificates of tax deposit for amounts used in payment of tax will be raised from 16½ per cent to 17 per cent from Monday.

NGA pay talks break down

BY PAULINE CLARK, LABOUR STAFF

CRAFT WORKERS leaders in the printing industry will consider *plans for industrial action* on Monday following a breakdown in pay talks between employers and the National Graphical Association.

The union has told the British Printing Industries' Federation and the Newspaper Societ ythat it will boycott a further negotiating meeting planned for next Thursday.

But the other two major unions in the industry, the *Society of Graphical and Allied* Trades and the National Society *of Printers*, Graphical and Media Personnel, are exptected to *attend the meeting*.

Deadlock between the NGA *and employers' negotiators* — representing provincial news*papers and the general print* industry—follows four meetings *on this year's national* pay and conditions agreement covering *180,000 workers* in the industry.

A union claim for a 28.6 per cent *rise has met* with a 14 per cent offer. Detailed negotiations *on the cash elemnt in this year's* agreement have yet to come. *The main sticking* point with the NGA at this stage concerns a package of conditions attached to proposals for a shorter working week.

Mr. John Willats, national officer in the NGA, said yesterday the union had agreed in principle to a "long list" of proposals on flexibility but would fight employers' haste to shorten apprenticeship from four to three years. Employers see the proposed as an essential first step towards increased efficiency in handling specialised modern equipment. A shorter *apprenticeship* would allow specialisation sooner.

The NGA says it has made many concessions on staffing *levels, upgrading* and retraining and has also accepted the need *for* a radical appraisal of apprenticeship. But the *employers were insisting on too* fast a timetable in exchange for the proposed phased reduction to 37½ hours in the working week.

The present deadlock means cash negotiations could hit more trouble. The NGA said it was seeking an £80 a week minimum earnings level. Employers are offering a £7.79 a week rise to a basic £70 a week.

Boots extends its credit card system

BY ELAINE WILLIAMS

BOOTS, the Chemist, is to extend its pilot "in-store" credit card scheme to the whole of the country, following successful trials at 34 large stores.

On March 3, it will join the growing number of retail organisations which have introduced private credit card schemes in an attempt to increase sales, especially of high value goods.

This trend is against the general slump in demand for consumer credit experienced by the major credit card companies since *Christmas because of high* interest rates.

At present, in-store credit card systems have lower interest rates than either Access or Barclaycard, which are over *30 per cent a year*. Retailers hope this will encourage customers to use store credit cards more.

Customers at Boots can elect to pay a fixed sum each month between £5 and £20, the credit limit being 24 times that figure. The interest rate will be 1.85 per cent a month, equivalent to an annual rate of 24.6 per cent.

The system will be operated by National Westminster Bank and is aimed at attracting high value purchasers of consumer durables.

Recently Morrison Supermarkets introduced credit cards *at its 24* branches. Run by Midland Bank the annual interest rate is 26.8 per cent.

B a r c l a y s, alone, now administer 25 retail credit operations including those of Habitat, International Stores, the Co-operative Wholesale Society, Moss Bros, and Russell and Bromley. The Brent Cross shopping centre has a single credit card which can be used in 66 of the complex's stores. Barclays set up its Barclaycare organisation to cater for retailers only last year.

The other major banks set up *similar organisations in 1979*. Lloyds caters for nine retailers including Marley Homecare and Toyota Service Club. National Westminster has five, including Boots and the Asda supermarket *chain*. Two more are scheduled to start in April.

The banks say that no retailers have issued more than 10,000 cards so far and such systems were unlikely to pose any serious competition to either Access of Barclaycard.

Midland Bank has a similar number of customers, although Unicredit, part of National Provident, is one of the largest organisations with such a service.

Retirement bonds 'still index-linked'

By Tim Dickson

HOLDERS OF National Savings retirement certificates will con*tinue to benefit* from index-linking after their contracts run *out later this year*.

Extended terms for what are popularly known as "Granny Bonds" were announced yesterday by Mr. Nigel Lawson, Financial Secretary to the Treasury.

The first certificates, which were introduced for a five-year *term on June 2, 1975 are due* to mature later this year. But in a *Parliamentary written* answer yesterday, Mr. Lawson *announced that the repayment* value at the end of the fifth *year of purchase (including the* four per cent bonus on the *original purchase price) would* continue to be index linked.

These new terms, he added, would apply until further notice.

Under the extension terms, the Treasury has promised that the repayment value of certificates held beyond the original five-year maturity date will "at no time be less than the full repayment value (including the 4 per cent bonus) applying at the fifth anniversary of purchase."

Closures will cost 900 textiles jobs

BY RHYS DAVID, TEXTILES CORRESPONDENT

A FURTHER 900 jobs are to be lost in the textile and clothing industries in three major closures in the North of England and Northern Ireland.

At Golborne, near Wigan, Lancs, Intex Yarns (Manufacturing) is to shut its polyester yarn texturising and dyeing plant at the end of June, with loss of 390 jobs.

Throughout at Golborne has run at only 40 per cent of the level envisaged in a reorganisation of the group two years ago. The plant has been processing unprofitable undyed yarns to utilise machinery.

Total losses by Intex, part of ICI Fibres, in the past five years, are put at almost £20m.

The slump in demand for dyed yarns has resulted from a switch by customers to fabric dyeing, a cheaper process.

Intex's parent, ICI Fibres, is expected to reveal losses equal to the £30m deficit in its worst year, 1975, when the full report is published in a few weeks.

In the North-East 270 jobs will be lost with closure of Rodney Dresses, Chester-le-Street, part of the KO Boardman International group. The factory has concentrated mainly in recent years on work wear, and has been hit by reduction in demand from principal customers, including the National Coal Board.

In Northern Ireland, Ballymoney Manufacturing, a spinning plant owned by Ames Textile Corporation of the U.S., is to close with loss of 260 jobs.

BL unions adamant on pay

By Arthur Smith, Midlands Correspondent

BL CARS' union leaders stood firm yesterday in rejecting the company's pay deal. Any initiative to break the deadlock now rests with the management, which has warned that uncertainty over the controversial pay package is damaging market sales.

Sir Michael Edwardes, the BL chairman, announced new incentives to the 1,900 dealers in London yesterday in a move to help improve poor sales. BL's UK market share for February dropped below 18 per cent.

The Maxi price has been cut by 10 per cent from today.

Sir Michael also warned about unfair trading by competitors. BL was pressing the Government for action against unfair competition from Japan, Spain and eastern Europe.

"I must stress, however, that we are not seeking blanket import controls. On the other hand, if I were an importer, I would feel entitled to be very nervous at the groundswell building up now."

The current sales crisis, with a number of models halted and around 23,000 workers laid off, undermined any militancy among union leaders meeting in Coventry yesterday.

A move for the unions to press ahead with threatened strike action in protest at the company's refusal to improve its 5 per cent pay offer failed.

At a shop stewards' meeting in Coventry next Friday, union leaders will recommend that sanctions are not practical at this stage but that the 30 per cent pay claim must be pursued once the trading position improves.

● Sacked union leader Derek Robinson is suing British Leyland in a bid to force the company to reinstate him. A claim for his reinstatement has been submitted to the Central Office of Industrial Tribunals.

BBC faces orchestrated opposition

MUSICIANS in Scotland yesterday threatened the BBC with industrial action if the corporation continues with its plan to kill the Scottish Symphony Orchestra.

The Musicians Union's Scottish organiser, Mr. Jack Jenkins, said: "If the BBC does not halt its course we will be involved in industrial action."

Mr. Jenkins announced that members of the Scottish National Orchestra will not allow the BBC to record the orchestra's concert in Glasgow tonight.

The 69-strong orchestra is the largest of five regional BBC orchestras facing the axe in the corporation's £130m cuts announced on Thursday.

Mr. Jenkins said union members were demanding some form of industrial action against the BBC. He added that an action committee including Glasgow Maryhill MP Mr. Jim Craigen had been formed to monitor criticism of the proposal to kill the orchestra.

The Musicians' Union was not informed of the plan and the BBC had "embarked on the nastiest piece of industrial relations they had ever done," he said.

Mr. Jenkins said the Union's office in Glasgow had been "snowed under" with letters and calls from people protesting at the decision to disband the 44-year-old orchestra.

Dr. David Lumsden, principal of the Royal Scottish Academy of Music and Drama, said: "It has got to be remembered that this is not just musicians looking after their own jobs.

He said he was optimistic that the orchestra could be saved: "I can't believe people are so stupid. I believe in human nature."

Manufacturers ration tinned food supplies to supermarkets

BY DAVID CHURCHILL AND GARETH GRIFFITHS

FOOD manufacturers are rationing supplies of canned foods to supermarket chains because of an increasing shortage of tin cans, resulting from the steel strike.

The rationing applies particularly to such products as processed peas, carrots and baked beans. A number of the large food processors have begun to reduce output in order to eke out supplies of tinplate.

Fine Fare said last night its deliveries were being based on what manufacturers called "*normal orders*," and the situation was changing daily. Sains*burys said it was rationed*, but would not say how. Tesco's deliveries are also based on "normal orders."

Supermarket chains still have on average two weeks' stocks in *their depots. However*, there is a general fear that supplies of packets and *containers* with metal components (other than cans) could shortly start to dry up.

Manufacturers have based the rationing on last year's orders, and are monitoring orders to ensure there is no attempt by grocers to stockpile. Supplies are expected to last until April.

The Food Manufacturers Federation said yesterday there had been no evidence of panic buying by the public. However, it is worried that because of the seasonal nature of the indus try, the canning companies will not be able to cope with demand when tinplate supplies are resumed. About 80 per cent of tinned food is canned between June and August.

About 7,500 people have been laid off because of the shortage of tinplate. Metal Box, which produces about 70 per cent of British cans, yesterday announced further lay-offs of 750 workers at Aintree, Liverpool, Hackney and Carlisle, and *half-time* working at its Winsford plant.

Metal Box *has* laid off about 5,000 of its 18,700 workforce at 16 of the company's 24 plants. It is supplying about 30 per cent of customers' demand.

Reads, the second largest can company, which supplies about 18 per cent of the market, has laid off about 10 per cent of its 1,800 workers. It *said* it is maintaining production through supplies from its own stocks and from private sector steel suppliers.

Spillers yesterday laid off 827 pet food workers at Wisbech, Cambridgeshire, and Barrhead, Glasgow.

The Engineering Employers Federation said there were indications that several firms employing 4,500 people in the West Midlands had gone onto short-time because of a combination of the BL lay-offs and the shortage of steel.

Lay-offs in the food processing industry are expected to rise by a further 2,500 by the middle of the month, says the Food Manufacturers' Federation.

Welsh Agency defends its Leiner dealings

BY ROBIN REEVES, WELSH CORRESPONDENT

Agency hit back yesterday at suggestions that it mishandled P. Leiner and Sons, the South its investment dealings with Wales gelatine manufacturer, forced into receivership two weeks ago.

In a detailed history of its relations with Leiner since the *company's approach* for financial aid in September 1978, the *agency said five events* 'brought matters to a head," in January, *less than a year after its £2m* capital injection into Leiner, its *biggest* in a Welsh company.

● On January 9 it obtained management accounts for eight months' UK operations to November 30, 1979, showing losses of £2.26m. The directors originally forecast profits for that year.

● On January 15 amended draft accounts for end-March 1979 showed revised group losses of £4.2m, over twice the auditors' revised upward estimate in July. The directors told the agency they included a £700,000 loss on sale of a previously profitable Brazilian subsidiary.

● On January 24 management *accounts for December* showed a further £400,000 loss, *raising the UK nine months'* loss to £2.67m.

● The only company still actively involved in merger or takeover negotiations for Leiner's main business withdrew.

● The bank advised the agency that because of Leiner's rapidly-worsening position it could no longer accept that any immediate proceeds from prospective sale of Leiner's encapsulation divisions could be used to reduce the agency debt for rent and industrial estate services.

The statement admits that on February 4 the agency informed the bank and Leiner it would be unable to continue supplying services in its capacity as Treforest Estate landlord in the absence of a firm forward commitment to reduce outstanding debt for past services and rent, which by then was £1.4m.

It describes as "absurd" the *claim* that "out of the blue the agency gave the company six *hours' notice* to pay or guarantee payment of £500,000, or face *closure*."

The agency is unapologetic about the *initial investment*.

Mr. Jack Loveland, Leiner's *former chief executive, said last* night that the statement made no mention of one crucial point, the offer on February 5 by the *bank to guarantee £30,000 a* week to the agency in respect of service and rental charges, at least until end-February.

This was to allow independent investigation of the directors' retrenchment programme.

Record for Victorian painter

SALEROOM

BY ANTONY THORNCROFT

THE EXTRAORDINARY revival of interest in work by Victorian painters was underlined at Christie's yesterday when a picture by Lord Leighton entitled Pastoral sold for £40,000, plus the 11.5 per cent buyer's premium and VAT. This is a record for the artist and compares with a price of £27-6-0 which secured the same painting in 1957.

Another painting by Leighton, *Lieder Ohne Worte*, was bought by Roy Miles on behalf of the *Tate Gallery for £26,000*. When it last appeared at Christie's, in *1893, it went for* £168. The Fine Art Society bought *Jerusalem from the Mount of* Olives by Edward Lear for *£35,000 and another record was* the £30,000 for Waiting for *Hire by Thomas Sidney Cooper.*

At Phillips a 17th century *Dutch silver dish was bought* by Koopman, the London dealer, for £45,000.

Shipyard talks to reopen

NEGOTIATIONS REOPEN tomorrow over the shipyard pay deal agreed in Newcastle on February 13.

The new talks reflect mounting opposition to the 11.5 per cent agreement reached between British Shipbuilders and the Confederation of Shipbuilding and Engineering Unions.

When the deal was agreed, both parties thought they had a settlement.

On Thursday, however, 1,100 General and Municipal Workers' *Union (GMWU)* members at Sunderland Shipbuilders, on the *Wear, rejected the deal. Other* unions have expressed doubts on the agreement.

The *main* opposition to the deal, which would give skilled men a rise of about £11 a week, has come from the GMWU, which opposes it for a variety of reasons including "unfair" lump sum payment; a "no strike" clause; the basis on which overtime payments are calculated; and a ban on local negotiations.

Tomorrow's talks will be held at the British Shipbuilders headquarters and will include *the 26 lay delegates from yards* throughout the UK who attended the original talks, in addition to the shipbuilding *negotiating* committee of the Confederation of Shipbuilding and Engineering Unions.

Sheffield faces a long, hard struggle for recovery

BY RHYS DAVID

THOUSANDS OF men in Sheffield's private sector steel companies have voted to end their strike in support of colleagues in dispute with British Steel Corporation.

But while the private sector — management and men — is glad to be back and hopeful there will be no more of the very heavy picketing of a few *weeks ago, the mood* in Sheffield as a whole is now one of concern over the long-term effects of the worst industrial strife the city has known in 50 years.

Vulcan Road, the narrow street leading to Hadfield's East Hecla works, where the main confrontation between police and pickets took place, is pro[illegible] familiar to television [illegible] around the world as a [illegible] of British industrial re[illegible] by now. But this is likely to be the least of Sheffield's problems. The dispute follows a prolonged period of weak demand for the city's specialist stainless, tool, and *high-speed* steels.

With no sign of a break in *the deadlock*, BSC is now reporting the loss of major orders to overseas competitors. A £500,000 Venezuelan order for stainless steel bridge saddles, which the *River Don* works was expecting, has gone to Germany. A rotor shaft due to be delivered to a Continental *power station is* trapped in the works, delaying completion of *the project* and making it unlikely that the customer will return to BSC *in future. The* strike has made it impossible to *win new orders for the* works, which the BSC has been trying to restore to profit after several years of losses.

There are also doubts about whether BSC can win back losses in its local market share after the strike. So far, many *of the corporation's customers* in the area have managed to carry on with their own *stocks* or those held by stockholders, while others have done deals with their rivals to keep going.

"Sheffield has always been known as the biggest village in England. Companies have been exchanging information with each other on what is available, and *buying from* each other to keep customers supplied." Mr. *Douglas Iveson, director of* the chamber of commerce said.

But steel is also coming in from the Continent, and there *is apparently a substantial* quantity of steel waiting in the ports for delivery after the strike. *BSC itself* has just bought 2,000 tonnes of stainless steel abroad to fill the gap in the market after the strike has ended and before production begins to flow again, but senior management still expect to lose some market share to importers.

The result, according to Mr. *John Pennington, managing* director of BSC's Yorkshire and *Humberside division* could be that local mills will be on short time by June or July after the initial burst of activity when the strike ends.

In addition to any higher wage costs, the corporation will also have to absorb very high UK energy costs, and the effects *of a strong sterling rate, which* helps to make imports cheaper, Mr. Pennington said.

The longer the strike goes on, the more it weakens the many *companies in Sheffield* which earn their living by supplying BSC. The producers of refractory bricks, a major Sheffield industry, have already been seriously affected by large increases in gas prices, which have made exports much more difficult.

A *number of transport companies* in the area have big con*tracts with BSC to move its steel* around, and have had men laid off *since* the start of the *strike*.

The strike has also shut down the BSC computer, delaying payment of 20,000 invoices to local suppliers. At present, three managers are working their way through clerical accounts work normally handled by 45 ISTC staff.

Strike effects are also being felt increasingly at retail level, according to the city's Chamber of Trade. "The normal increase in trade during half-term did not *materialise this year*, and the city centre was not as full as might have been expected," Mr. John Rowan Chamber of Trade president, said yesterday. Even after the strike is over, traders expect it to be some time before strikers and their families pay off their debts and can afford to make major purchases.

Recovery will be quite a challenge to Sheffield after a period in which it has managed much more successfully than many other cities of comparable size to adapt itself to the decline in Britain's manufacturing fortunes.

Some 15,000 jobs have been *lost in steel and heavy engineer*ing in Sheffield in the last 10 years, while in cutlery, the other *industry for which it is famous*, the number of jobs has fallen from 11,700 in 1959 to under 5,000 *in the face of very heavy* competition from Far East *imports*.

Despite this, unemployment has remained consistently below the national *average*, and outward migration has been much *lower than in other big northern* cities such as Newcastle, Liver*pool, Manchester* and Hull.

With a relatively low-key promotional campaign, Sheffield has also been successful in attracting two major office employers *to expand its service* sector and to provide a better *balance of job opportunities*: 15 head office departments of *Midland* Bank and the main offices of the Manpower Services Commission, on one of the few *Government dispersal projects* to escape the review imposed by the Tories on taking office. Each of the two developments represents a gain of more than 2,000 jobs.

The problem facing Sheffield, as the leader of the Labour-controlled council, Mr. George Wilson, [illegible] is that furth[illegible] the [illegible] ine[illegible] in [illegible] tra[illegible] ne[illegible] ot[illegible] is[illegible]

THE WEEK IN THE MARKETS

Brushing the grim tidings aside

LONDON

ONLOOKER

The tentative signs of flagging that the equity market was showing at the beginning of the week were brushed aside on Wednesday and Thursday as the FT 30-Share Index moved up towards the 470 level. Except in the small oil companies, where the bid for Viking Oil from Deminex generated a good deal of excitement, there was nothing much to inspire continued strength, but the institutional buyers were not discouraged by a stream of grim industrial news.

Gilt-edged have laboured under the burden of steadily rising international interest rates and the issue of a new long tap, Treasury 14 per cent 1996. This stock attracted only small applications at tender on Wednesday and, although some was supplied to the market on Thursday, a good £600m must remain in official hands.

Oil platform

ICI cantered home much as expected, with a 33 per cent increase in pre-tax profits in 1979 to £560m. However, under the surface, the increase is not *quite as impressive as it looks.* A large part of it is accounted for by a £95m turnround in its oil profits, as Ninian output *built up from the second* quarter. Most of the rest came from a buoyant performance in overseas markets, where volume was up by about 15 per cent.

In the UK itself, by contrast, the chemicals business was stagnant in terms of both volume and profits. Particularly badly hit was the fibres business, as import competition intensified, and the organics and dyestuffs business.

The results are also not quite what they seem because a substantial chunk of the profits *comes from the acceleration in* inflation. According to the company's own estimate profits are slashed from £560m to £187m by current cost accounting, and this is below the comparable figure of £223m in 1978.

However, the company does not include a gearing adjustment, worth £70m in 1979 compared with only £30m in 1978, so a closer approximation to current cost profits is £257m last year, just ahead of the £253m in 1978. This means that the dividend—raised by about 20 per cent—is just covered by *real profits. In fact there is* enough margin to raise the dividend another 10 per cent or so without giving capital back to shareholders — something that ICI has said it is determined not to do.

Next year ICI is likely to require every *bit of that* margin if it wants to push dividends ahead, since there is unlikely to be any improvement in profits. While oil should bring in £150m or so, this gain is likely to be balanced by a reduction in chemical profits, as the long-awaited downturn takes place.

While the present oil bonanza *is essentially short-term* — the government starts taking an 85 per cent bite out of Ninian from 1983-84—it looks like letting ICI bridge the chemical downturn without too much strain on the balance sheet.

Making hay

In which businesses can you currently pick up shares on bargain *basement price/* earnings ratios of 2½ or 3? Do they have to be dodgy engineering companies or apprehensive *BL dealers?* The answer is no, for after the results in the past few days two of the Big Four clearing banks fall into this category, and no doubt so will the other two when they report their figures later this month.

The stock market was *distinctly unimpressed when* National Westminster Bank last Tuesday unveiled pre-tax profits 44 per cent higher at £441.5m. Not only did this rate of progress fall short of the 49 per cent advance revealed by Lloyds the previous Friday, but the *second half failed to show any* improvement on the figure for January-June.

It seems that it is very hard for investors in the City to whip up much enthusiasm for the clearing banks, which are making hay while high interest rates last. Sector analysts spend almost as much time these days scanning the labour news columns as the financial pages as they seek to assess prospects for the pay negotiations about to begin between the clearers and their staff. With such bumper profits under their belts, it is hard to see how the banks can avoid a highly expensive settlement—the unions are threatening to put in a claim for 25 per cent or more. This could squeeze profits nastily once interest rates fall and the current buoyancy of loan demand eases.

But right now there is absolutely no sign that money rates are going to move into reverse—this week, if anything, London money market rates have been firming in sympathy with trends *elsewhere in* Europe. Clearing bankers report, moreover, that business customers are still borrowing *heavily, perhaps to finance* stocks that have piled up in the system (though borrowing by personal customers has become *sluggish*). Perhaps the clearing banks' day of reckoning will indeed come eventually; but for the moment the analysts are still edging up their 1980 profit forecasts.

Copper vaults

The body of opinion that has already written off all thought of growth in the engineering sector received a knock during *the week when IMI produced* enough second half buoyancy to compensate for the downturn in its first six months with a little to spare.

After a £2.1m pre-tax drop at the interim stage, IMI came up with an overall upturn of 8 per *cent to reach £34.5m.* Yet Sir Michael Clapham, chairman, has few illusions as to how fast the group should have been running *to keep up with inflation.* As he said, profits of £34.2m in 1977 would amount to £43.5m in terms of 1979 spending power.

The group can point to all the tribulations of the national engineering scene for this inflation-adjusted shortfall but it is encouraging that IMI is expanding the size of its business in real terms.

Investment in fixed assets *last year reached £25m which* compares with a depreciation provision of £11m, or £20m on a current cost *adjustment. The* shareholders' picture is reasonably bright, too. A current cost adjustment provides two times *cover for the dividend payment.*

IMI straddles a broad spread of industrial activities and there are at least certain areas which have provided strong growth. The building products division has contributed 30 per cent of group profits and the continued strength of the house renovation and improvements market has clearly provided a magnificent fillip.

Although it is hard to take a bullish view of IMI's zip operations at least the minorities debit indicates an improvement in the second half. Similarly an improvement in the specialist valve activities contrasts favourably with the experience of many competitors.

The investment that IMI has made in titanium is also paying off handsomely. The current year starts with a very strong order book, particularly for proprietary high duty alloys required for the most advanced Rolls-Royce engines, and the investment is going to step titanium melting capacity up by 25 per cent. The *second half* contribution from this buoyant side of the business exceeded that of the first six months by *£2.4m pre-tax and it is possible* that alloys of this type are now worth at least a quarter of total group profits.

Shining brightly

THERE CAN be few businesses whose asset base has been growing as quickly as Johnson Matthey. The group takes at least 35 per cent, and probably a great deal more, of its profit from banking, foreign exchange and bullion dealing.

The precious metal boom, led by gold prices, has done wonders for net worth. JM only takes base metal prices into its balance sheet but it also makes an estimate of net worth by calculating stocks at market prices. When this calculation was made last September, assets were worth 416p at market *prices; a handsome advance on* a book value of 209p per share. During the autumn, the world investing public had started to *lose confidence in paper money* and when JM totted its metal stocks at the end of December, assets were valued at 567p per share.

Private gold holders, at that point, had yet to form the queues in Hatton Garden. JM *is confident that the final quarter of its financial year is going* to be as buoyant as the first nine months as commissions on *bullion dealing continue to grow.*

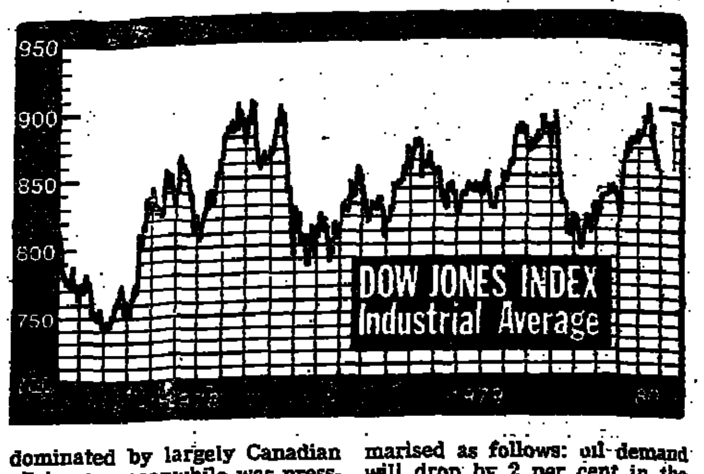
MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979/80 High	1979/80 Low	
F.T. Ind. Ord. Index	467.1	+12.9	558.6	406.3	Selective institutional demand
F.T. Gold Mines Index	377.9	+29.5	377.9	129.9	Bear covering/shortage of stock
Clive Discount	51	−14	110	50	Trading losses & poss. div. cut
Cultus Pacific	*37*	*+14*	*39*	*14*	*Speculative buying*
Geevor Tin	225	+45	225	125	Tin price reaches record levels
General Accident	242	+18	282	188	Results well received
GKN	268	+18	308	226	Investment demand
Hoover A	137	+14	222	107	Maintained final div.
IMI	59½	+ 8½	61½	36½	Better-than-expected results
ICI	398	+10	415	314	Satisfactory results & dividend
Irish Distillers	77	− 7	112½	72	Duty increases in Irish budget
Land Securities	306	+18	323	241	Investment demand
National Carbonising	128	+24	148	40	North Sea oil speculation
Ransomes Sims	152	+39	193	107	Better-than-expected results
Samuel Props.	129	+17	131	87	Oil interests
Siebens (UK)	930	+144	930	190	Continued speculative demand
Southern Pacific Petroleum	925	+138	£10⅛	145	Oil-shale development hopes
Vantona	109	+15	145	94	Good preliminary results
Vickers	140	+14	210	98	£20m Roneo Vickers deal
Viking Oil	*930*	*+120*	*980*	*155*	*Agreed bid from Deminex*

Energy in the market

NEW YORK

IAN HARGREAVES



WHAT has been the most influential factor in the New York stock market in the last year? The Federal Reserve's triple pronged rush at inflation? The *reversal of President Carter's* defence spending policy? The events in Iran? Inflation itself? Record interest rates?

There is a case for arguing that none of these weighty matters of national concern has outstripped in importance in *day to day market sentiment* the performance of a single group of shares: the energy stocks.

No doubt in the wider perspective and the longer term inflation and anti-inflation policy are more critical, but energy stocks have for the whole of the last 12 months provided whatever yeast there has been in the market. So, whenever that yeast starts to lose its vitality, everyone starts to get nervous.

The facts are, according to Merrill Lynch, that last year the stocks it classifies as international oils gained 27 per cent, domestic oils 65 per cent and oil service companies 39 per cent. This compared with an improvement in the broad Standard and Poor's index of 500 shares of only 12 per cent.

In the erratic year to date, the picture has been much the same. In January the internationals were up over 10 per *cent and the domestics by 16* per cent against 5.8 per cent for the S. and P. index. In the last month, with the S. and P. charging wildly to little net effect, oil stocks pressed on upwards. Texaco closed on Thursday night at 40¾, a more than five point gain, Exxon was up five at over 65 and Gulf was a star performer with a more than 10 point gain at 50.

Last week as the Dow Jones Industrial Average pitched in the stormy seas created by the latest surge in interest rates and the level of inflation, the oils were daily among the most active stocks, gaining a little here, losing something there, in response to the latest news from *the drilling rigs,* worries about stability in Saudi Arabia and the other miscellany of international affairs which *determines the pulse rate of oil men.*

The most bullish indicator of all for oil stocks, the market value index of the American *Stock Exchange, which is* dominated by largely Canadian oil issues, meanwhile was pressing up to new records and testing the 300 barrier.

Throughout this buzz of *activity* in the last year, Wall Street's oil analysts have been continually up against the difficult, perhaps imponderable question: have the oils gone too far. Are they, to use the jargon, "overbought"?

Although individual analysts have from time to time produced a cautious "yes" to this question, sending the market into a flutter according to their influence (there are three oils in the Dow Jones industrial average), there has never been a sustained feeling that the oils were in for a rougher time. That feeling may now be emerging.

Mr. Constantine Fliakos, head of Merrill's oil team, has tended towards a neutral position on the oils group in recent weeks, but he believes there is near term weakness for the international oils, whose earnings he predicts to be fairly flat this year, partly because he believes that conditions will change for the worse in the U.S. industry's Saudi connections, but mainly because he agrees that the world is in for a period of oil surplus.

He thinks the domestic oil companies, still in the process of enjoying the country's progress towards uncontrolled oil prices *(to be completed by September of next year)* will do better.

A more pessimistic analysis has just been produced by Mr. Charles Maxwell, who watches the oil industry for Cyrus J. Lawrence. Mr. Maxwell has just *advised his clients to thin out* overweight oil portfolios, even though he expects the international oils to improve earn*ings by 5 to 8 per cent this year* following their huge, 60 per cent gains last year.

His argument is complex, but *the negative case can be summarised as follows:* oil demand will drop by 2 per cent in the *next two years,* there will be an oil surplus which OPEC production cutbacks will fail to prevent leading to a sharp drop in spot oil prices, from $38 a barrel at the end of last year to $28 by the end of this year. High stocks of most refined products in the U.S. will reduce profit margins, a process aggravated by higher exploration costs, high interest rates and a recent costly labour settlement in the refining industry in the U.S. Between 1981 and 1983 Mr. Maxwell sees OPEC struggling to increase *prices in line with inflation.*

The counter argument is that U.S. oil price decontrol will produce a bonanza in earnings, *higher dividends* and a buoyancy assisted by news of discoveries of reserves. The basic assumption of the optimists is that the value of oil in the ground will continue to appreciate at a rate greater than general inflation and will therefore continue to offer investors in oil stocks a hedge against inflation.

This last question clearly enters the realm of the imponderable, but Mr. Maxwell's judgment is that for the next few years, the negatives are starting to outweigh the positives.

If that view becomes prevalent, the near term consequences for stock prices in New York are grave, because record interest rates and inflationary fears are already seriously denting the performance of other industrial blue chips and the Dow has now lost almost 50 points since mid-February.

This alone, Mr. Fliakos feels tends to take the edge off any pessimism about oils. The oils may look suspect, but not nearly so suspect as most other sectors, he says.

MONDAY	859.81	−8.96
TUESDAY	864.25	+4.44
WEDNESDAY	855.12	−9.13
THURSDAY	854.44	−0.68

Tax avoidance schemes

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

A cutting I enclose comes, I think, from an advertisement of a firm and states that UK income tax may be reduced by people holding exempt gilts when returning to the UK, provided action is taken prior to return. Could you give me any information about this?

Since the cutting is from an advertisement, the advertisers are the people to approach if you want more details of the tax-avoidance schemes which they *are marketing. If you are a* regular reader of our Finance and the Family columns, no doubt you have seen our warnings from time to time about the pitfalls of do-it-yourself *international tax avoidance* schemes, and our recommendations that professional advice be sought. No doubt you have also seen our general advice to prospective residents from time to time on simple precautions to mitigate the potential impact of capital gains tax, for example, by bed-and-breakfasting accumulated gains (not forgetting potential chargeable gains on *overseas bank balances*), before the beginning of the tax year of arrival, if possible. Without full information there is nothing *more helpful which we can say.*

Capital gains in a flat

I have been employed in Germany by a voluntary organisation for six years and do not therefore pay income tax. I bought a flat in West Sussex for £11,500 in September 1978, which has stood empty since that time, and, therefore, is not yet rated as it was brand new. My contract is now completed and I shall be returning to England in March and will need to sell the flat and move to where a job is available, buying another property. If the three months residence rule applies, I shall have to adjust my plans. Could you advise me as to whether I shall have to pay capital gains tax on my flat?

There are three possibilities, at least: (1) If you sign the con*tract to sell your flat before you* return to the UK (in March), you should escape CGT, by virtue of extrastatutory concession D2. (2) If you move into the flat upon your return (or subsequently), you should *escape a substantial proportion* of the potential CGT liability, by virtue of section 102(2) of the Capital Gains Tax Act 1979. *For example, if you were to sign* the sale contract in September of this year, having moved in for a short time could halve your CGT bill. (3) If the UK tax inspector accepts that your present living accommodation is job-related (an expression defined in paragraph 4A of schedule 1 to the Finance Act 1974), you should escape CGT in any event, by virtue of section 101(8) of the Capital Gains Tax Act 1979.

This answer is not as helpful as we should wish, because you have not given us enough precise details (of the past and of your plans for the future). On the question of whether your *present living accommodation is* job-related, so as to entitle you to exemption under section 101(8) of the CGT Act, you *could write to the tax inspector* for the district where the flat is (or to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, Great Britain WC2R 1LB). We do not understand your reference to "the three months residence rule": there is no such rule that we can think of in the CGT Act or concessions, in relation to your problem.

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Please write or telephone: Brian Banks, City Gate House, 39/45 Finsbury Square, London EC2A 1PX Telephone: 01-628 2294/7

37/39 St. An...

Documentation for house transfer

Further to your recent replies regarding the transfer of shares in a house, would you say what documentation is necessary for each yearly transfer? Is this a matter which I could do for myself without having to employ a lawyer?

The documentation which is appropriate depends on the state of the existing documentary *title.* We do not advise your setting up a scheme of this kind without consulting a solicitor.

True joint ownership

On February 10 under Solicitor's fees for an estate, you stated that where a husband and wife are the joint owners of their house and investments there is no need for the survivor to obtain probate "if there is no property which is not in true joint ownership." 1—Does such property include holding of index-linked National Savings Retirement Issue bonds where joint ownership is limited to one half of the aggregate of a husband and a wife's individual permitted maximum holding? 2—Where probate is not sought because of true joint ownership is the survivor likely to encounter difficulties in dealing with the Inland Revenue, concerning *refund* of tax or other matters, or with company secretaries regarding re-registration of stocks and shares?

1—The holdings you describe can still be in true joint ownership.
2—There should be no difficulty, but we cannot answer for officials in the categories which you describe.

Rates revaluation

***Following your reply under* Rates revaluation (November 24) I approached my Regional Assessor to challenge a revaluation following installation of central heating and erection of a garage. His reply was that the "special position" referred to in the above quoted letter did not apply to Scotland. Why?**

It has now been decided in *Scotland on the authority of the* Lands Valuation Appeal Court that a central heating installation is an heritable fixture which must be regarded as attaching to the heritage for assessment purposes. The same obviously applies to a garage erected on heritage.

An entirely different position pertains in England as the rules for Land Valuation in Scotland are based on a code of their own.

Grace and favour remission

I understand it is now the case that where a taxpayer is undercharged because of Inland Revenue error, the tax due may be remitted. Is this remission compulsory or discretionary?

The remission of tax arrears which have resulted from Inland Revenue errors is, unfortunately, purely on a grace-and-favour basis.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Better days lie ahead

MINING

PAUL CHEESERIGHT

THE FIGURES have really looked very cheerful. One after the other they have come: 1979 profits at record levels, earnings double or triple those of 1978, sometimes even more. Financial recovery and confidence have been in the air as mining industry plans for the new decade have been dusted off, as aspirations crushed in the mid-1970s have seemed to look realistic again.

This week has been no exception as **Imetal**, the French group, predicted 1979 earnings of FFrs 230m (£24.3m) compared with a 1978 loss of FFrs 240m, **Consolidated Gold Fields Australia** anounced net profits for the half year to December of A$8m (£3.8m) against A$4.88m in the same period of 1978 and **Anglo-Transvaal Consolidated Investment**, the South African house, posted earnings for the 1979-80 first half 60 per cent higher than in the comparable period at R16.71m (£9.05m).

If there is a text for the times it probably comes in the cautious prose of Mr. J. Edwin Carter, chairman of **Inco**, the Canadian nickel group.

"The past few years have been difficult for Inco," he said in his annual statement—as indeed they have been difficult for most groups. "Stringent financial constraints have been required to ensure your company's future good health. These constraints have imposed severe strains on employees and share holders alike, but we have survived with our basic strengths intact, and with the feeling that better days lie ahead."

Mr. Carter's remarks were *made against the background of* an unexpected surge in nickel demand which permitted the group to raise prices by 25 cents *to $3.45 a lb. And certainly* metal prices elsewhere have remained moderately firm, although in recent weeks this has seemed to owe more to speculative than industrial demand.

This qualification seems in order because there must be doubts about how real the present prosperity of mining groups actually is.

Of course their coffers have been filled and at the present rate it looks as if they may overflow in the first quarter of this year. But what happens after that is less clear. The movement towards higher interest rates in major consuming countries suggests at the very least a few months of economic tightness.

Or, as Mr. Carter put it, "Forecasts of recession, political *instability in many areas and* continuing high inflation are reasons for caution."

There is another point about *this prosperity. While it* rebuilds fortunes depleted in the mid-1970s, it has nevertheless to be set against the future *cost of new ventures.* This problem has to some extent been disguised in recent years because, apart from a few metals, there has not been the demand to expand capacity. Indeed, there has been a deal of unused capacity.

Assuming international economic growth over the next few years, minerals demand is bound to increase. This accounts for *Mr. Carter's feeling* that better days lie ahead, but it also means that the mining companies will be pushed face to face with the sharp escalation in capital costs.

Seen in this light, the industry is not as prosperous as it might appear at first sight. Current earnings repair the ravages of the past without providing enough funds to safeguard the future. Hence the moves towards mergers and the attraction of using funds from cash-rich oil companies for joint ventures.

The marshalling of financial resources is one reason being advanced by **General Mining**, the South African mining finance house, for its bid to take over the 48.3 per cent of **Union Corporation** it does not already own.

"The enhanced financial and technical strength of the group will facilitate the raising of the very large capital sums required to start up new mining and other ventures," Mr. E. Pavitt, the Union Corporation chairman, told *his shareholders* in the offer documents published this week.

The merger, he went on, will "*spread the ever-increasing size* of the risk at stake in each project over a substantially greater capital base."

Such arguments, however, do not seem to have stemmed growing concern in both London and Johannesburg that the terms of the offer—80 General Mining shares for every 100 shares in Union Corporation—are not generous enough to allow the proposals to go through *smoothly.*

Certainly the two groups have some very expensive projects in the pipeline. The offer documents disclosed that Union *Corporation's Beisa uranium*-gold mine will now cost R250m (£135.5m) by the time it starts production next year, instead of the originally estimated R200m. The **Beatrix** gold prospect could cost R400m. And General Mining is thinking about an oil-from-coal project which would absorb R1bn.

Large scale energy projects of this size need partners. **Conzinc Riotinto of Australia** and **Atlantic Richfield**, the U.S. oil group, have followed a course which is becoming more popular in the mining industry for their **Blair Athol** coal development in Queensland. They have turned to a major consumer, **Electric Power Development of Japan.**

Investment at Blair Athol could come to around A$4bn *(£1.92bn), and Electric Power* Development this week signed an agreement to take a 19 per cent equity stake and to buy *5m tonnes of steaming* coal every year for 15 years, starting in 1985. So the partners have secured a financial helping hand and a secure market at the same time. It is the largest steaming coal agreement ever signed by Australian producers.

The contract is a harbinger for the 1980s. As major power consumers seek to safeguard non-oil supplies of energy, it seems likely that they will be more prepared to become involved in the mining industry at the grassroots level, helping the mining companies to spread their financial risks—risks which even present profit levels cannot prevent from looking more and more forbidding.

TIN OUTPUTS COMPARED

	Jan., 1980 tonnes	Dec., 1979 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	168	173	1,423	(10)	1,519
Amal. of Nigeria (columbite)	*26*	*28*	*173*	*(10)*	*258*
Aokam	154	184	1,103	(7)	839
Ayer Hitam	109	124	1,085	(7)	1,370
Berjuntai	383	344	2,930	(9)	3,150
Bisichi Jantar (tin)	¶	25¾	291	(12)	348
Bisichi Jantar (columbite)	¶	32	354	(12)	329
CRM Sri Timah	103	53¼	103	(1)	68¾
Ex Lands Nigeria	¶	¶	102	(4)	108
Geevor‡	92	75	882	(10)	845
Gold and Base (tin)	26	36	26	(1)	24
Gopeng	158½	161	675¼	(4)	651
Idris	18¾	19½	18¾	(1)	20½
Kamunting	15	14	404	(10)	365
Killinghall	35¼	28¾	133¼	(4)	149
Kinta Kellas	33½	35	370¼	(10)	391¼
Kuala Kampar	22	20	225	(10)	207
Lower Perak	20	21	159	(9)	231
Malayan	*277*	*268*	*2,083*	*(7)*	*1,810*
Pahang	122	116	726	(6)	742
Pengkalen	16¼	15¾	64¼	(4)	24
Petaling	151¾	186	490	(3)	365½
Rahman	*85¼*	*69*	*491¼*	*(7)*	*498*
St. Piran—Far East	22	22	144	(10)	257
St. Piran—UK (South Crofty)	178	150	1,634	(10)	1,811
St. Piran—Thailand	90	74	830	(10)	966
Southern Kinta	*97*	*110*	*1,362*	*(10)*	*1,434*
Southern Malayan	199	199	1,234	(7)	1,451
Sungei Besi	182	187	1,680	(10)	1,919
Tanjong	10½	14½	10½	(1)	15
Tongkah Harbour	*37*	*41*	*265*	*(7)*	*348*
Tronoh	136	164	136	(1)	174

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

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YOUR SAVINGS AND INVESTMENTS

Alan Friedman looks at an oil gamble

The wheel of fortune

ON THE COVER of a recent analysis of independent UK oil exploration companies by stockbrokers Scott, Goff, Hancock there is a sketch of a floating oil rig with its main shaft extending through many layers of the earth's core.

At the bottom of the oil-drill shaft there is a crude, but effective drawing of a roulette wheel.

One picture is worth a thousand words. The search for oil and natural gas deposits by Britain's high risk, high reward exploration companies is, in the words of one board director, "a real gamble."

The excitement over small oil companies — already fired by a sharp rise in oil prices — has intensified over the past few weeks. *The fun started* about a fortnight ago when the price of Tricentrol, a company with important North Sea interests, leapt more than 40p in a day on the news of a gas find in Canada which was some 20 miles from Tricentrol property.

Then came the news of the takeover of Viking Oil by West German company Deminex last week for a premium price of 300p per share plus royalty units. The deal was largely a gamble on a potentially attractive stake held by Viking in a North Sea block.

At the same time, the offer for sale of 3m ordinary shares of Berkeley Exploration and *Production for 50p* (partly paid) was oversubscribed 40 times. This enthusiasm was also related to speculation about North Sea holdings, which in this case had been hived off from another company, KCA International.

When Berkeley dealings started on Thursday the shares opened at 11?p and quickly reached 132p at the first day's close.

The scramble for Berkeley followed the news a few days earlier that a £4.2m rights issue by Premier Consodidated Oilfields had been 97.2 per cent taken up.

Before the ink was even dry on the Premier issue, Cluff Oil, another independent UK operator, made a £3.24m cash call for further exploration in the North Sea and off the coast of China.

To many in the City, it looked rather as though emotions were carrying the day. Even the *director of one small oil group* admitted: "The rating on most of these shares, including our own, *does look high.*"

This view is shared by brokers Scott, Goff, Hancock who say that despite long-term potential, most of the small oil company shares are now overpriced.

For the interested investor, choosing among the dozen or so small oil companies must appear a labyrinthine task. Several broking houses are now devoting considerable resources to the field and there seems to *have been an upsurge in institu*tional curiosity of late.

Mr. Michael Newmarch, deputy investment manager at the Prudential said: "We have been investing in such small oil-orientated companies in the UK *for several years. We are* happy to take an interest in these groups because the opportunities seem attractive, albeit speculative."

He said that Prudential held a 5.2 per cent stake in Cluff Oil. He attributed institutional interest in these companies in part to anticipation regarding the Seventh Round of bidding for North Sea blocks which will take place in the next few months.

The hope behind every small oil exploration company is that a relatively smal-scale investment will be transformed into a major market capitalisation by the discovery of significant oil or gas reserves. The procedure often is to acquire property and then "farm out" *drilling costs* in exchange for percentage shares in the area. In this way, *actual costs are kept* down and risks are shared.

But companies do not necessarily expect to manage any find themselves. Mr. Rupert Lascelles, finance director of Premier, explained wistfully: "The history of small oil companies is that they get bought by big oil companies."

Few of these small oil groups pay a dividend. Instead, they plough whatever funds they can lay hands on back into further exploration.

Premier is a typical company with a market capitalisation of around £65m against just £16.7m a year ago. The group holds a stake in Lasmo worth about £11m, now has £4m in cash from its recent rights issue and a further £1m of cash on hand. Its remaining assets are not easy to evaluate precisely.

There is a Piper field interest in the North Sea, a major stake in the Rocky Mountain Overthrust region of the U.S., an Italian natural gas producing field and an oil producing site in Trinidad.

Three other small companies —Charterhall, Cluff and CCP— each have a stake in the Buchan field in the North Sea, the BP-managed area which should come on-stream by late summer of this year.

Charterhall, which used to be a mining finance group, holds a total 4.56 per cent in Buchan. The market capitalisation is about £21m.

Mr. Derek Williams, chairman of Charterhall, pointed to the approaching Buchan production schedule as evidence of tangible *net assets.*

"We'll soon be in production and that's a more solid position than most. Besides Buchan we are also exploring for oil and gas in Canada, the States and in the Channel under a Sixth Round arrangement," he said.

Cluff Oil, with a market capitalisation of around £30m, is *another company with a* worthwhile Buchan interest These assets are composed of a 1.55 per cent indirect interest in Buchan and an overriding royalty stake on future production.

The company's £3.24m rights money is to be used for survey work off the coast of China and for an exploration well in the North Sea.

Cluff, like many of its fellow oil exploration companies, has been running at a loss and has not paid dividends.

There are several other UK companies such as Clyde Petroleum (with a market capitalisation of £27.4m). CCP (£22m market capitalisation) and the larger Siebens group. Siebens' premium rating has begun to appear more justified of late with solid reports about the Brae field in the North Sea, *in which the* company has a stake.

But few directors of these companies *will deny that their's* is a speculative business with fluctuating asset values. As Mr. Lascelles *of Premier put it:* "We do a great deal of scentific work on the subject, but when the work is finally done, it's in the lap of the gods."

Small oil company shares carry their sometimes inflated premium not just because of the whims of the stock market. The actual rating can be a bizarre cocktail of proven reserves, proposed exploration opportunities, management capabilities and the hopes of a rewarding takeover in the future. For the investor, it can be an enjoyable spin of the wheel.

COMPANY	MKT. CAP.	Share price	NET ASSET VALUE (est.) Scott, Goff	Carr Sebag
Premier	65m	76p	45p	37p
Cluff	£30m	345p	145p	254p
Charterhall	£21m	72½p	50p	46p
Siebens	£69m	930p	310p*	380p

* Based on South Brae alone.

Now for lesser windfalls

FOR JUST about everybody except Mr. David Preston the prospect of a £1m cash windfall is the stuff of dreams. And while his spectacular pools win this week will no doubt encourage the hopes of eternal optimists, dreamers we are all likely to remain.

On the other hand, the chances that one day you will be the lucky beneficiary of a *few* unexpected thousands are a good deal less remote than landing a million—generous *uncles, long-lost American* cousins and even big premium bond prizes appear to be in greater supply than the luck of Mr. Preston.

Mr. Preston will clearly not be short of good (and bad) advice but for those with more modest fortunes we decided to ask several investment experts how they would advise the recipient of, say, £50,000.

The two UK stockbrokers approached concentrated, as you might expect, on UK equities *and gilts. Both emphasised that* much would depend on their initial meeting with the client and his particular aims and requirements.

But as a general rule Mr. Tony Richards, a private client partner with Quilter, Hilton Goodison felt that to protect some of the capital £15,000 should be *invested in a medium* or long dated gilt. About £25,000-£30,000 could then be *spread* between UK market leaders and more exciting second-line stocks.

Part of the liquidity, he advised, could be reserved for new issues and speculative investments like Krugerrands. Mr. Richards, however, emphasised the drawbacks of alternative investments like painting and antiques — insurance premiums were likely to be expensive, no *income was generated* and security would always be a worry.

*Mr. David Hopkinson, chair*man of the M and G unit trust group, is not best known for individual investment advice. But he admits that he is often asked to help out in this sort of situation.

"For goodness sake enjoy yourself is my first comment," he says. "I strongly urge people to buy a capital asset for their hobby, whether it be a picture, stamp collection or vintage car.

After that I would suggest 40 per cent should at the moment be invested in gilts with the rest in equities, half of them overseas.

Mr. Hopkinson "sincerely believes" that unit trusts are the best way of investing in overseas markets but he did manage to suppress the temptation specifically to recommend M and G.

Such self restraint was lacking in Mr. August van Oostveen, investment director of Robeco, the giant Dutch investment fund. Robeco *which is* one of the biggest investment vehicles in the world, has built up a wide reputation for its worldwide equity performance over the years.

With its sister funds, Rolinco, Rorento (fixed interest) and Rodamco (property) it covers a vast spectrum so it is perhaps not surprising that Mr. van Oostveen suggested putting £10,000 into each.

Tim Dickson

Waiting for Howe

MOST CITY commentators would bet a good deal more than *their shirts* that Sir Geoffrey Howe will announce some reduction in the burden of capital *taxation in his Budget.* But while this has long been a Tory promise, those trying to guess what is going through the Chancellor's mind remain uncertain about what means he will adopt to achieve his ends.

This week it became clear that two options have been discarded temporarily. They are *the proposal to index Capital* Gains Tax so that gains resulting from inflation are exempted and that CGT should be tapered so that the liability is reduced the longer the asset is held.

The proposals have been rejected on the grounds that they would be too expensive to administer.

Changes *are therefore likely* to centre on increasing the limits below which capital gains tax does not become payable. The starting threshold for Capital Transfer Tax (currently £25,000) is also expected to be raised.

In view of these impending alterations to the capital tax *structure, investors would be* well advised to wait until after the Budget before making major disposals or transfers.

On the other hand there is still plenty of time to take advantage of the 1979-80 CGT and CTT allowances. On £1,000 of gains, you pay no tax, the next £4,000 the liability is only 15 per cent. *between £5,000 and £9,500* it rises to 50 per cent, after which the rate is a flat 30 per cent. Those expecting to pay capital gains tax might consider "bed and breakfasting" shares showing a loss.

The big pay-off

ALL HOUSEBUYERS who use the annuity method of repaying their mortgage should make provisions for paying off any outstanding balance in case they die before the end of the term.

The best way of doing this is with a mortgage protection policy, a straightforward term assurance policy where the *cover decreases in step with the* outstanding amount of the mortgage.

The levels of cover on such policies, however, are calculated on the interest rate at the time the mortgage is taken out. When interest rates subsequently rise, the cover becomes inadequate.

Because the commission on these policies is low the agent who arranged the cover may not bring this shortfall to the attention of housebuyers. *Anyone* who took out their mortgage several years ago could therefore be *undercovered* by several hundred pounds.

To overcome this problem Guardian Royal Exchange has just launched its "Homeguard" policy. This guarantees to *cover the outstanding* balance of the mortgage, irrespective of the change in interest rates

With mortgage rates at an all time high, the risk is for GRE, of course, not high, but having *introduced* the concept, the company is likely to continue it when interest rates move back to lower levels.

The extra monthly premium for this facility is comparatively low. A £20,000 mortgage taken out by a 29-year-old man over 25 years under current interest rate levels takes a monthly premium of £3 for ordinary mortgage protection. With Homeguard the monthly premium is £3.36.

Eric Short

There's a strange horse in the garden . . .

INSURANCE

JOHN PHILIP

A FEW days ago I had a mid-morning telephone call from a friend: "There's a horse *in my* back garden and it's doing a lot of damage — what should I do?" *The horse had come from* an adjoining field, its owners were known and had been tele*phoned and were already on* the way to claim it.

I said: "Tell the owners politely but firmly that you'll want compensation for any damage," and went away to look at the law books and the relevant insurance policies.

Taking legal liability first, seemingly anyone, who suffers bodily injury or sustains damage to property from the incursion of another's animal, ought to be able to recover compensation; and broadly speaking this is so.

But there are complicated *legal rules, and as with so many* legal problems a slight alteration of the facts gives rise to a different legal answer. In England and Wales nowadays most of the basic law is contained in the Animals Act 1971, which codified, and in part simplified and modified, the then existing law. There is a clause *in the Animals Act which makes* it clear that the owner of a trespassing animal is strictly liable to pay compensation for damage done, subject to certain statutory exceptions.

But to generalise is dangerous. There are 30 pages of text and over 200 footnotes on liability for animals in "Charlesworth," one of the *major legal reference* books on negligence. Sufficient here to say that the victim may *need expert* legal advice to determine whether or not he has a valid claim, while the animal owner clearly needs liability insurance, so that the niceties of legal argument can be considered by his insurers' *claims staff.*

Even a pony can cause quite serious injury, and bearing in *mind modern levels of compen*sation for the most serious injuries, it is foolish for any horse or pony owner to have liability protection for less than £250,000.

Such liability cover can be bought separately, but nowadays is increasingly often included in package policies, similar to those that we all have on our homes and cars, but of course specially designed to provide protection in respect of horses, ponies and other animals.

Turning now to the *average* home insurance policy, at first reading it appears that the *policyholder has a claim for* damage done by animals—in older policies one of the standard specified perils was impact by animals, while modern wordings may have elaborated this protection.

However, the definitions of "buildings" and of "contents" make it clear that insurers do *not cover under either section* damage to the garden or the plants or trees grown in it.

We are here back to the point that I have mentioned on previous occasions. If damage is caused to my garden shed or greenhouse (by definition a building) then damage to the equipment, to the plants therein (*by definition contents*) is covered.

If the horse in my friend's *garden had shattered the green*house then a valid claim for repair would have fallen on the buildings insurance, and equally a valid claim for replacement of plants, damaged or destroyed, would have fallen on the contents policy. In which case, the household insurers could have been left to argue the claim out with the horse owner's insurers.

To come back to my friend's particular problem—uninsured damage to shrubs, damage to now growing bulbs, holes in the lawn, and so on. How to quantify?

I reminded him that in any event gardening is 11 months' anticipation and one month's *disappointment*, and pointed out that, in time, probably in a season or less, all would be rectified by a certain amount of work, and by nature taking its course.

What he was really talking about was the extra time he would have to spend filling and reseeding his lawn, and the loss of pleasure he would suffer not being able to look out upon all his expected spring flowers and shrubs.

The cost of the former would be calculable in terms of man hours but the latter was much more imponderable—so might it not be better to agree a small, but *reasonable*, sum with the horse owners or their insurers and to quickly forget the *incident.*

Of course, with extensive damage, employment of a gardener or nurseryman, might be justified, in which case the bill for labour and materials would constitute a valid claim.

In this kind of situation often the victim seeks to pass the handling of repair to the wrong*doer or his* insurers, but in the ordinary course of events liability insurers reckon it is for the victim to give his own instructions, to see the work is done properly, to pay the account, and only then to seek reimbursement.

Even though liability insurers may hold the victim at arm's *length, he should nevertheless* get any repair estimate to them, to ensure they know what he is doing, and to try to eliminate the chance of argument later on.

If the facts are clear and the estimate reasonable, liability insurers, without specifically admitting liablity on the wrong-doer's behalf (this is seldom *done, for good legal reasons*) may well give an undertaking ultimately to meet a bill based on *the estimate.*

If they do not, then, depending on the extent of the claim, this may be the point at which the victim should ask his lawyers to take over.

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1st March 1980

PROPERTY

Looking ahead to the Timber Age

BY JUNE FIELD

WHEN I wrote about timber-framed building last year, a major Suffolk components manufacturer of timber-framed housing for private developers, asked why I had mainly concentrated on large individual properties rather than the more wide use of timber-framed housing for speculative house-building?

My answer was that so few builders publicised that they were using this method of construction, and hardly any promoted practical explanations to the public of the actual building operation.

Now Mr. Peter Shapcott, director of the British Woodworking Federation, tells me that at last month's conference, "How To Profit From Timber Frame Today," sponsored by the federation, it was decided to consider a more aggressive direct consumer promotion, providing easy-reference bulletins for the public and so on.

So far information has been mainly directed to the trade through TRADA, the Timber Research and Development Association in the Hughenden Valley, Buckinghamshire.

Although the number of timber frame houses being built has dropped slightly from the peak of two to three years ago (it is estimated at 14 per cent of the present housing market), timber frame's total market share continues to rise, industrialised building having increased over the last 15 years or so until it takes 88 per cent of that market.

The aim of the federation is to put over the point that modern timber-framed houses are not temporary buildings, but dwellings built with the same life-expectancy as traditional brick houses. For instance they are built extensively for local authority housing schemes where they must have a minimum of 60 years life.

Basically a timber-framed house is one in which all the main load carrying functions are performed by an independent structural framework of vertical timber members (studs), which is covered and reinforced with other wood-based sheet materials. This timber shell bears the weight of the building, floors and roof and transfers it to the foundations. Any external cladding is for decorative and long-term weather-proofing purposes only.

"By the year 2,000 timber framing will be the norm," Mr. Christopher Price, marketing director of New Ideal Homes, Woking, says. His company plans to switch their entire output to timber frame over the next few years.

At the conference, Mr. Price admitted that sales representatives and buyers still need more technical information, but in an easy-to-understand form. "We could list customer-benefits, but these must be related back to the method of construction and what people can actually see. East stage needs explaining as it progresses.

"For instance, as long as houses are under construction they can see the high insulation qualities such as the inner-cavity fill in the walls, the 160 mm in the roof and the padded loft trap. Draught excluders are also visible, but floor and foundation insulation have to be explained.

"Accurate angles and corners can be seen too, and the superior finish of walls and ceiling is obvious, with the straightness of kitchen units, tiles etc., convincing. But the immediate warmth and "dry" feeling needs to be explained, in that the some 1,500 gallons of water which goes into the average traditional brick homes in the form of wet plastering, mortar, etc., is not needed."

Thermal insulation is a strong promotional point on this type of house-building, as the heat loss through a timber-framed wall built with only the minimum obtainable thickness of glass-fibre insulation quilt is less than 50 per cent of the heat loss through a conventional masonry brick and blockwork wall.

For consumer information there is a useful booklet, Knowing Your Timber Framed House, written by The Swedish Finnish Timber Council, free from Peter Shapcott, the British Woodworking Federation, 82, New Cavendish Street, London, W.1., which will also supply a list of members who provide a complete building service. They include Guildway in Guildford, Surrey, Llewellyn Constructions in Eastbourne, Sussex, Lovell Housing in Marlow, Buckinghamshire, and Yorkshire Homes in Thirsk, North Yorkshire. For the trade the federation is repeating the last conference in London at the Cafe Royal on March 21.

Because of its modular design and the low overall weight of the timber-framed structure it is easy to add an extension or to manipulate the interior plan of a house. Openings can be made in load-bearing partitions with the introduction of fairly lightweight beams, provided the work is supervised by a qualified designer and has approval under building regulations.

This advantage is being promoted by the Architectural Services Plann Partnership who are building at the Daily Mail Ideal Homes Exhibition, opening on Tuesday at Olympia until March 29.

"Timber frame is right for the 1980s when the kind of house that the average family want is one that will adapt to the requirements of a growing family," Mr. John Bailey, ASPP's managing director, says. "This means a house that can easily be added to over the years without too much expense and upheaval."

The Decade is one of a series of Canadian designs based on a similar formula. Not over-exciting in shape, it has a pleasing ranch-style silhouette, four bedrooms and two bathrooms, in about 1,850 square feet. The living-area on the ground-floor is a compact unit with main room and dining room, plus kitchen and family rooms as well as a utility section.

The living-area can be widened, or the double garage easily moved out to create an extra room such as a bed-sitter or study-office or it can be reduced to a single garage, or moved to the opposite side of the house.

About 1,000 builders are members of the partnership, which was begun in the late 1960s and they will build on your site or theirs. They also have their own mortgage brokers to ensure that you get the best possible advance on the designs.

The house should only take around 12 weeks to complete if built in timber frame, and cost around £35,000 to include central heating, decorations and kitchen equipment, but of course that does not include the land. The decade is one featured in the new *Architectural Services Book of House Plans*, £3 plus £1 postage from John Bailey, ASPP, 45 Station Road, Redhill, Surrey (91 68261).

Full working drawings for either conventional or timber framed construction cost £75, or £50 on special offer at the exhibition. For a completely new design the cost is £150-£200, plus another £75 if site plans and planning applications are handled.

Mr. Bailey will also advise where actual houses they have built can be seen, including his own in Surrey which has a handsome pine-panelled living-room and traditional Minster fireplace.

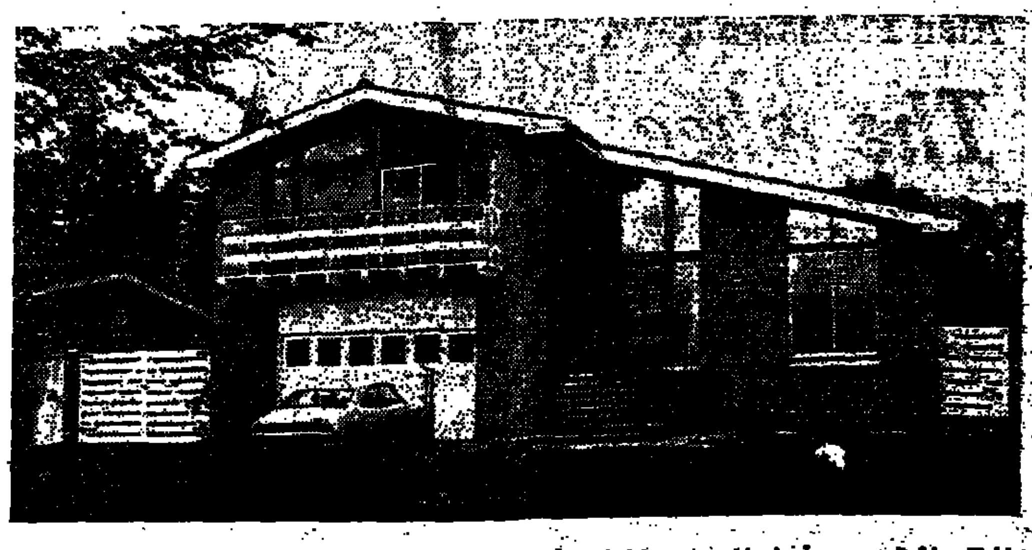
Guildway, Old Portsmouth Road, Guildford, Surrey, (0483 68181), has several furnished show houses open 9-5 Monday to Friday, 10-4 Saturdays. Or send £1.50 for the company's colour brochure of timber-constructed houses finished in brick, stone, timber or rendered.

Studio Design Home Plans come in traditional or timber frame. Their Book of House Designs, and one for bungalows, are £1.90 each, or £3.50 for the two including postage, to Turners House, Great Yeldham, Essex (0787 237461).

You can also see various types of timber-built houses at the Colt village exhibition, weekdays 9.30-4.30, Saturdays by written appointment.

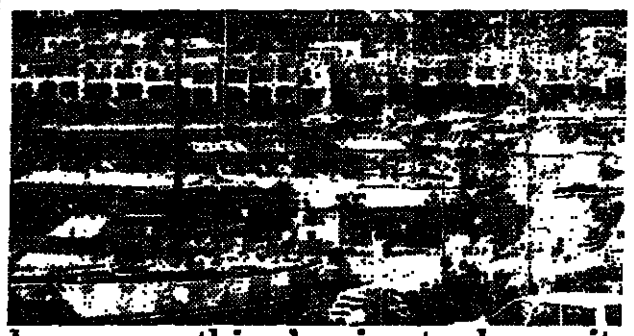
The booklet of plans costs £1 *from W. H. Colt Son and Co.*, Bethersden, near Ashford, Kent (Bethersden 456), or through its Scottish agent, Solway Cedar, Moffat, Dumfriesshire. (Moffat 20360).

Heale House, Curry Rival, Langport, Somerset, is a stone-built period house in 9 acres, with 6/7 bedrooms, 3 bathrooms and a special "children's unit." David Mitchell, Savills, 5 Mount Street, London, W1, is looking for offers in excess of £120,000. *Considerably more land and farmbuildings can be bought separately.*



Four-bedroom, 2-bathroom timber frame house with facing brick outer skin in ½-acre at Robins Field, Wansford, Peterborough, close to the A1 trunk road, for sale at £65,000 through Jackson-Stops & Staff, 20 Bridge Street, Northampton.

Be sure you like the view from your Costa Smeralda home...



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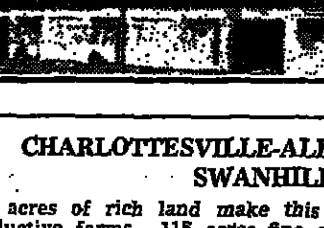

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PUBLIC NOTICES

HALTON BOROUGH COUNCIL—£500,000 Halton Borough Council Bills issued on 27th February 1980—due 28th May 1980 @ 16.109375%. Applications totalled £3m—£500,000 Bills are outstanding.

TRAVEL

Good food—and scenery to match

Chateau Biron, Dordogne

PAUSING for a quick meal on a drive through France some years ago, I mentioned to the waiter that I was in a hurry. "It will take, Madame," he said firmly, "as long as the time needed to prepare it." I should have known better. That French talent for making food into a way of life is no exaggeration. It is what depopulates the roads of France for a couple of hours *in the middle of each day. It* is what produces a plethora of menus outside the humblest restaurant. It is what makes the most formidable *patronne* soften when, in stumbling French, you praise the subtle aromatic harmony of her *cassoulet*. And it is one of the attractions which drew many of the 3m-plus Britons to France last year.

I was reminded of this incident by the recent arrival of the new edition of *The Traveller in France*, published by the French Government Tourist Office.

This excellent publication for all regions of France, and a recurring theme is regional gastronomy: from the pancakes of Britanny and pure pork pâtés of Touraine to the smoked hams of the Savoy Alps and multifarious sea foods of France's multifarious coasts. And, of course, the wines to go with them all.

The enormous variety of French cooking is matched by the topographic variety which produces its ingredients, and below are some of the package arrangements which seem particularly well adapted to the terrain in which they occur. Having started with food, a as well head the list. There is, for example, Heritage Travel's couple of gastronomic tours may one-week of escorted epicurism sampling some of the best restaurants of the Périgord in May (£353, including most meals); o rHigh Society's two-week tour by car, centred on the Dordogne, with the emphasis on hotels providing gourmet menus. Wine tours are even more numerous from the popular 3- and 6-day autumn arrangements in Burgundy by Inghams (£147-£198, half board) expert-escorted spree in the vineyards of Bordeaux in October (395, full board). A cookery course might be a way of extending the gastronomic pleasure to the rest of the year. Erna Low offer a 4-day one in Boulogne; En Famille Agency have year-round cookery weeks with French families in a house-party atmosphere.

One of the most delightfully inescapable features of the French landscapes is its natural and man-made network of waterways. Over a score of UK firms now market either hotel-boat cruises or drive-yourself vessels on a selection of these. Less prevalent, but with the similar appeal of a leisurely tempo are holidays by horse-drawn caravan: in Britanny by Brittany Ferries, or in the Dordogne by French Travel Service, the latter costing from £136 for ten days ex-UK for four. If you prefer to be actually on the horse, Cox and Kings have riding holidays in the Périgord.

Which brings us to some of those other outdoor activities for which so much of France is eminently suitable, with walking probably as universally rewarding as any. Serenissima have an unusual ten-day escorted tour in June, following part of the ancient pilgrimage route through the Auvergne; the average 15 miles a day on foot are optional and take in a succession of ecclesiastical rural gems (£330).

Ramblers Holidays' choice of 12 two-week programmes range from rather gentle ramblings in Britanny or Normandy to the tougher demands of the Alps or Pyrenees. One of these (in the Alps) is specially designed for flower lovers (two departures May/June, £244). Catering for bird watchers is Sunbird's May departure to an excellent combination of contrasting terrains: the marshes and lagoons of the Camargue, and the splendours o fthe Pyrenean Gavarnie valley (two weeks, £535).

Spectator activities are not neglected either. For motor-racing enthusiasts, Page and Moy feature both the French and Monaco *Grand Prix* or, *if* you prefer the turf, Horse Racing Abroad cover the Arc de Triomphe Grand Prix at Longchamps among other events.

Cultural and historical attractions are nation wide, but regional emphases are distinctive. Swan Hellenic's 15-day escorted Roman France art treasure tour (£706) in May, June and August ranges from Toulouse and Albi to Avignon *and Aixen-Provence. Wessex* Continental focus on the megaliths of Brittany, and over a dozen companies concentrate on châteaux, mainly in the Loire. Military Tours and Visits bring history vividly up to date with the landing beaches or war graves of both World Wars, in the company of military historians.

The Traveller in France is available free from the French *Government Tourist Office*, 178 Piccadilly, London W1V OAL, and includes the addresses of all the companies mentioned, as well as many more. The FGTO prefer you to write in on a postcard.

RACING

DOMINIC WIGAN

FOR MANY, the Greenall Whitley Breweries Chase, with £12,000 prize money, is the most interesting event of the day. However, for me the most absorbing race is Newbury's opener, the Philip Cornes Nickel Alloys Novices' Hurdle.

Here, further light should be shed on the Daily Express Triumph Hurdle for the runners include Ireland's Penscynor. *Bamp, Burns, Sir Owen* and The Tsarevich.

Judged by the Triumph Hurdle market, Burns, a winner three times on the flat, could well start favourite.

It is difficult what to make of both The Tsarevich and Sir Owen. The first a three quarters of a length runner-up to Long Wharf in Sandown's Ripley Hurdle, went on to chase home Saint Taffy at level weights when a 2—1 on favourite for *Nottingham's* Radcliffe Hurdle a fortnight ago. On a strict interpretation of the form book, The Tsarevich should not prove capable of holding Bamp who gave Saint Taffy 5 lbs and a two-length beating here on February 9.

Sir Owen, pulled up on his initial two runs over the minor obstacles, came good in a modest event at Catterick recently and it is hard to judge whether he has any pretentions to a crack at the best.

In what promises to be an intriguing contest, I pin my hopes on the Tsarevich.

At Haydock, Katmandu is given a tentative vote in the Greenall Whitley race. This seven year old did extremely well to run Roller Coaster to three quarters of a length at a difference of only 13 lbs in the Tote Northern Handicap Chase here on January 5.

Half an hour after the Brewery-sponsored prize, Gleason can further enhance his Cheltenham prospects by outpacing Prince Rowan in the Victor Ludorum.

NEWBURY

1.00—The Tsarevich***
1.30—Song of Life
2.00—Woodford Prince
2.30—Roller Coaster
3.00—Norfolk Dance
3.30—The Pilgarlic

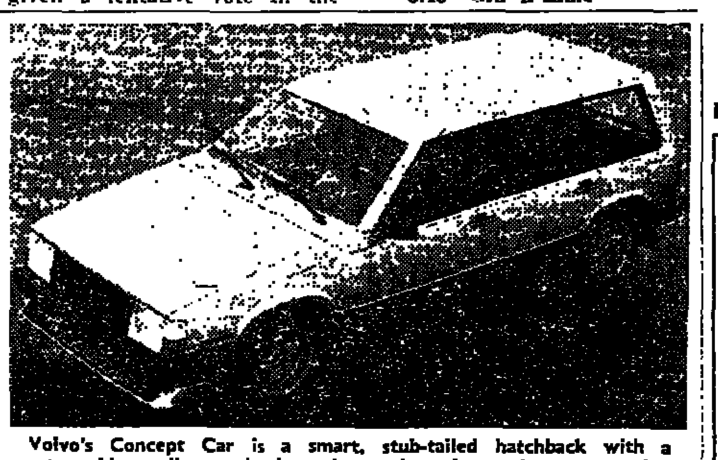
HAYDOCK

1.15—Gunsmith**
1.45—Katmandu
2.15—Gleason*
2.45—Lord Greystoke
3.15—Gold Spell
3.45—Gin 'n Lime

Ways of cutting costs

MOTORING

STUART MARSHALL



Volvo's Concept Car is a smart, stub-tailed hatchback with a retractable spoiler, turbocharged petrol engine and energy saving tyres. It will not go into production, but some of its features like self-wrapping seat belts and perhaps computerised instrumentation will appear on future Volvo cars.

THE FIGHT to cut fuel consumption makes progress on all fronts. It is a war of attrition; a steady slog, not a blitzkrieg. But progress is real and several advances have been made public in the last few weeks.

Saab have demonstrated APC, which stands for automatic performance control. Like all good ideas, it is basically simple and could be applied to any of the growing number of turbo-supercharged cars. APC means that the turbocharged engine no longer has to be tuned to run on a particular kind of petrol. Anything from 91 to 99 octane (lower than UK regular, higher than UK premium) will do.

An electronic sensor detects when "knocking" starts under load and reduces boost until it disappears. As a result, Saab have been able to raise the compression of the 900 Turbo's engine from a low 7.2:1 to 8.5:1. That cuts fuel consumption by eight per cent, improves overtaking performance by 20 per cent and makes the car feel livelier around town, when the engine is not being boosted by the turbocharger. If all goes well, APC will be a standard fitting on all Saab Turbos in about a year and will add virtually nothing to the showroom price.

Having tried the Saab with the "thinking engine," I went to Milan to learn how Pirelli's new P8 tyre reduces a car's fuel consumption by four per cent. Tyres absorb a fifth of the engine's power at low to medium speeds though at motorway *cruising rates aerodynamic drag* becomes a more important fuel waster.

Cleverly, Pirelli have given their fuel saving tyre an ultra-low profile. The P8 is only 65 per cent as high as it is wide. Because it is squat, it is so stable under cornering and steering forces that springier, and thus less power absorbing, rubber compounds can be used in its construction. Unlike some of the American "gas saving" tyres that have to be pumped up harder than normal, P8 runs at conventional inflation pressure. It rides as comfortably and has even better wet grip than a standard steel-belted family car radial like the Pirelli P3. And, the tyre trade will be sad to hear, it will last even longer.

The first car to get the P8 is Fiat's Ritmo diesel. Fiat UK have no plans to import the Ritmo (we call it the Strada) *diesel, at least for the present,* though in my judgment it could do well here. Powered by a dieselised Fiat 132 petrol engine of 1.7 litres capacity, it is as quiety and driveable as the VW Golf diesel, does 50 mpg at a steady 56 mph in its high fifth gear and returns a day-to-day average of 40 mpg.

The Pirelli P8 will be going on to a lot of family-type cars in the next year but it won't be sold on the replacement market for at least 18 months. Among car makers who will be using P8 to save their customers money are BMW, Saab and Lancia. Other Fiats will get it, too, including the new baby Panda.

Volvo took the wraps off some more consumption-cutting ideas at a Gothenburg conference last week. The most dramatic debut was that of the Volvo Concept Car, which they call a design exercise though it is a thoroughly practical and fairly potent road-going car. It is a stub-tailed hatchback looking (if the current issue of "Drive" magazine is to be believed) like the Ford Granada estate car replacement due in 1983.

The chopped-off tail gives it good aerodynamics—as well as masses of luggage space—and a front-end spoiler drops down automatically at 50 mph to improve airflow and diminish drag. It pops back again at 35 mph, because the last thing a car wants around town or on rough roads is a deep, easily damaged chin. The engine, a turbocharged version of the familiar 2.1 litre four-cylinder, *develops 136 bhp on low octane* petrol, giving a 115 mph top speed and a consumption ranging from 28 mph in city traffic to 25.6 mpg at a constant 81 mph. This car, too, runs on the new Pirelli P8s.

The concept car was for looking at only but I tried its retractable front-end spoiler and its elaborate computerised instrumentation, with cathode ray tube visual displays, on modified 244 saloons.

SNOW REPORTS

EUROPE

Andermatt (Sw.)	55-210 cm	North slopes excellent.
Muerren (Sw.)	65-170 cm	Upper skiing fair on piste.
Zermatt (Sw.)	40-140 cm	Some powder still available.
Crans-M'ntana (Sw.)	80-240 cm	Slush on lower slopes.
Davos (Sw.)	85-220 cm	Fine, some spring snow.
Kitzbuehel (Aus.)	15-120 cm	Good skiing above 1,200 metres.
St. Anton (Aus.)	50-180 cm	Spring conditions.
Wildsch'nau (Aus.)	50-150 cm	Good skiing on upper slopes.
Isola (Fr.)	105-145 cm	Hard pack snow on piste.
Flaine (Fr.)	110-580 cm	Upper slush on low slopes.
Sauze d'Oulx (It.)	30- 90 cm	Lower slopes worn.
Courmayeur (It.)	170-300 cm	Worn patches on low slopes.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.)	15- 27 ins	Packed powder. 33 runs open.
Stowe (Vt.)		Packed powder. 14 runs open.
Hunter (NY)	15- 70 ins	Man-made snow. 30 runs open.
Park City (Utah)	24-101 ins	Packed powder. All runs open.
Aspen (Col.)	34- 90 ins	Packed powder. All runs open.
Squaw Valley (Calif.)	36-168 ins	Slushy snow. All runs open.

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND

Cairngorm:	Main runs complete. Hard packed snow. Icy.
Glenshee:	Main runs most complete. Spring snow.
Glencoe:	Main runs complete. Spring snow on hard base.
Lecht:	Main runs complete. Spring snow.

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Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Statutory General Meeting which is to be held on March 10th, 1980 at 10.00 a.m. at 43, Boulevard Royal, Luxembourg with the following agenda:

Agenda

1. Submission of the reports of the Board of Directors and Statutory Auditor.
2. Approval of the Balance Sheet and the Profit and Loss Statement and allocation of the results as at December 31st, 1979.
3. *Discharge of the Directors and Statutory Auditor.*
4. Receipt of and action on nomination relative to the election of Directors and Statutory Auditor for a further fiscal year.
5. Miscellaneous.

There is no quorum requirement and the resolutions will be passed on a simple majority vote of the Shareholders present or represented.

The Board of Directors.

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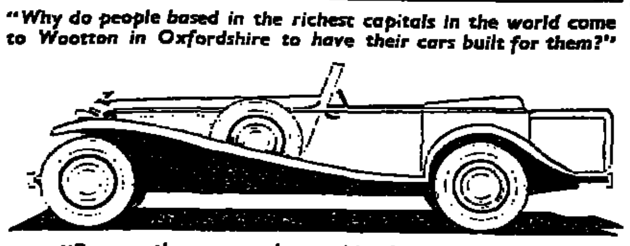

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BOOKS

Medawar sets it down

BY C. P. SNOW

Advice to a Young Scientist
by P. B. Medawar. Harper & Row. £4.95, 109 pages

Sir Peter Medawar, in the course of giving much good-natured and pleasingly tough-minded advice (which would be useful, by the way, not only to young scientists but also to old politicians), talks about the importance of the presentation of scientific work. Never read a paper from a script. The worst spoken speech is better than the best read one. On paper, know what you intend to say and say it. He then suggests models of lucid writing which might be studied by young scientists, some of the models drawn from the philosophers of University College, London, where Sir Peter occupied a Chair for a good many years. He also includes the name of Bertrand Russell. Medawar's list is a good one, but if the young man is in a hurry, he could get all of what he wants in the way of examples from just two writers, G. H. Hardy and Medawar himself.

They have something in common, crystal clear intelligence, wit, extreme generosity. Medawar, whose own contribution to immunology has been outstanding, doesn't find it easy, any more than Hardy did, to accept human baseness, though their intellects were too strong not to recognise it. Medawar doesn't accept willingly the baseness of fate, though again his mind makes him recognise it. Yes, he says—few men are better qualified to pronounce—the finding of genetics are true and the truth is harsh. Any of us could have been born with Dow's syndrome—that is, we could have been what we must no longer call mongols. Any of us, if we happened to have forebears in the old Russian pale, could have been born with the genes of muscular dystonia. Anyone who has seen a child in the last stages of muscular dystonia (they die round the age of 15) wishes, like Ivan Karamazov, to resign his ticket to heaven.

All that Medawar knows as well as any man alive. If he had designed the world, it would have been a better place. Even so, his temperament leads him to limit the range of these bitter realisations. He is a benevolent soul, and his vision of life is fundamentally as benevolent as he is, for all the brilliance of his mind and the sharpness of his humour. He is not severe in his human judgment, except perhaps on scientific crooks, about whom he produces a certain amount of information. Although benevolent, he is shrewder, and, in a lofty fashion, more worldly than some other great scientists, who wouldn't detect a crook if they saw him in the process.

The effect of Medawar's reflections, in this book as in his other writings, is one of a kind of satirical sweetness. That may sound over-indulgent on his part, for we have grown unused to any demonstration of human charity, even if tempered by one of the best minds in Europe. It is necessary to know something of the author's personal history to understand how his attitude, which isn't in the least affected, is a remarkable testimony to his character. The character is that of one of our most eminent contemporaries, still active among us.

To begin with, Medawar had all the luck in the world. He wanted to be a scientist, and had all the gifts necessary for a great one. He was also extremely clever, which isn't, as he rubs in among his testament of advice, strictly necessary for scientific success. (Hardy once said of someone who had won a Nobel prize for work of major importance and originality, that the man was physically and mentally singularly like a rabbit.) Just to add to the offerings of Medawar's fairy godmother, he was exceptionally handsome. His scientific work brought him a reputation very early. He was—a sign of the harmony and generosity of his nature—happy in research collaborations (another resemblance to Hardy) and he discusses them with feeling in this book. He had, and has, an admirable marriage with a *partner of his own quality*. All kept coming early—FRS, Nobel prize, world esteem.

He had everything, and in his early fifties it seemed certain that there was more to come. Then, utterly without warning, he was struck down. He mentions in passing in *Advice to a Young Scientist* that he had a grave illness. He was more than that. The scientific community all over the world was dismayed. Medical scientists in the U.S. gave him small chance of surviving and none of getting back into active life. Only a man of abnormal courage and with abnormal support could have done both. That he has done.

No one could go through such an experience without wounds. He has suffered losses and deprivations and years of his creative life. But he has not shown either weakness or rancour. He has not wasted his nature in complaints. He has emerged—and this book gives some of the best possible concrete evidence—as clever, amusing, magnanimous, even light-hearted as he ever was. He has done many things that few other men could have done but perhaps even fewer could have done this.

Sir Peter Medawar: Nobel prize-winner sums up.

When Nehru came to power in India

BY K. NATWAR-SINGH

Jawaharlal Nehru: a Biography — Vol. II— 1947-1956
by Sarvepali Gopal—Jonathan Cape. £15.00. 346 pages

Jawaharlal Nehru is one of the most attractive characters in Indian or any other history. He was not simply a famous politician, or a distinguished Prime Minister; he was also a man of letters, of sensibility and taste. A man with a warm heart, enlisted in the service of India. Dr. Gopal rightly says, that, "To *a large number of Indians he was* a measure of all things." He was both hero and legend.

Volume II of this biography covers the first and the most rewarding nine years of Nehru's Prime Ministership. During this decade Nehru called India and Indians to greatness; laid the foundations of a democratic, non-aligned and secular India. It was an exciting and noble undertaking and Dr. Gopal does *justice to it. He has had* access to the private papers of Jawaharlal Nehru for the period after 1947. He has used these wisely.

Nehru became Prime Minister in his 58th year. All his life he had been the most untiring opponent of the British Indian Government. Once in the seat *of authority he learnt his job* rapidly. Paper-work—mountains of it—was never in arrears.

The partition of India in August 1947 posed monumental problems. Those were months of death and destruction on a vast scale. Millions of refugees had to be rehabilitated, communal passions controlled, and the machinery of government kept going. At the same time the integration of the 500 odd Princely States was being successfully tackled by Sardar Patel, the strong man of the Congress Party but Kashmir and Hyderabad presented peculiar constitutional problems. India referred Kashmir to the UN and regretted doing so ever after. Kashmir got entangled in a web of international horse-trading. The idealist in Nehru was outraged. But a much greater blow *was to fall. On January 30, 1948* Mahatma Gandhi was assassinated.

Dr. Gopal has a fine style. He confesses that Nehru reigned over his youth (over mine too), but he has not allowed his emotions to take precedence over a detached appraisal of the external and internal policies. He critically examines the evolution of India's foreign policy, her helpful role in evolving the new Commonwealth; and her part during the Korean War, the Suez crisis, the Indo-China war and the Hungarian tragedy. *India's relations with the U.S.*, China, Pakistan and the Soviet Union are presented with subtle understanding.

Nehru's cordial relations with Churchill will come as a surprise to many in view of Churchill's Indian record. Both men were big enough to forget and forgive. Churchill admired and valued Nehru as a colleague in the Commonwealth. One important event is not mentioned —Nehru's meeting with Shaw in 1949. Nehru had taken the initiative and Shaw responded warmly.

Under Nehru the home front was not neglected. Nehru's administrative and executive record during the 1947-1956 decade was astonishingly successful. Scientific institutions were established, Atomic Energy harnessed to peaceful purposes, India was made plan-conscious, dams were constructed, steel plants started. The map of India was recast on linguistic lines. The historic Hindu Code Bill, which for the first time gave Hindu women a better deal was passed.

On the debit side, Dr. Gopal points out the absence of a vigorous campaign for family planning. Also Nehru's inability to come to a working relationship with the Congress Socialists led by J. P. Narayan.

Gopal's work on Nehru's life, when completed—the third and final volume is due soon—will be a major achievement.

BOOKS OF THE MONTH

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Effective Writing for Accountants
J. A. Fletcher and D. F. Gowing
A practical handbook for all concerned with the written word as part of their professional work—in letters, reports, memoranda, agendas or minutes. Includes an extensive glossary on points of style.
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The European Communities: an information guide
Edited by T. R. Watts
A practical guide providing general information about EEC institutions, legislative processes, objectives and achievements. It indicates how the Communities work and their social and economic impact on member countries.
The Institute of Chartered Accountants in England and Wales £3.95

Industrial Relations: an introduction for accountants
Peter McArthur
This booklet provides advice to accountants who are increasingly being expected to advise on the cost of a claim or on the commercial implications on a union request for information.
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Taxation of Lloyd's Underwriters
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John C. Pollock and Anthony D. Jackson
A reference guide containing practical advice to assist those involved in, or planning to establish a business in the EEC. Provides data on licences and controls, labour, accounting matters, government assistance, VAT and customs duties.
The Institute of Chartered Accountants in England and Wales £4.95

Survey of Published Accounts 1979
The 11th Annual Survey presents a current guide to accounting requirements and an analysis of methods and examples of financial reporting used by 300 major British companies.
The Institute of Chartered Accountants in England and Wales £12.95

Background paper on Related Party Transactions
H. R. Brown
A research paper which is intended to provide a basis for the possible development of an accounting standard and audit guidance statement on this important subject.
The Institute of Chartered Accountants in England and Wales £4.95

Fiction

Blobs at a distance

BY MARTIN SEYMOUR-SMITH

Wrinkles
by Charles Simmons. Alison Press/Secker & Warburg. £4.95, 182 pages

Uncle
by Julia Markus. Macdonald. £4.95, 170 pages

Looking for Work
by Susan Cheever. Weidenfeld & Nicolson. £5.25, 188 pages

Jazz
by Patrick Skene Catling. Blond & Briggs. £6.95, 320 pages

Hawks
by Joseph Amiel. Macmillan. £6.95, 420 pages

The Roses of Picardie
by Simon Raven. Blond and Briggs. £6.95, 350 pages

Wrinkles is the biography of a man at various stages of his life, from childhood to middle age to anticipation of old age and death, in 40 very short sections. The author's method is pointilliste: instead of trying to write a complete narrative, he concentrates, in each of his sections, on various features of his protagonist, which "accrete at a distance"—just as in the paintings of those neo-impressionists (they preferred the term "divisionism" to pointillism) such as Seurat and Signac who worked in small blobs and deliberately relied on distance to gain a special purity of effect.

Each short chapter has a theme, a regular facet of life—from drinking through clothes to being ill—which it develops from childhood through to middle age. The writing is lucid and deceptively simple, the final result strangely moving.

Julia Markus's *Uncle* is the story of the life of an unmarried Jewish "loner" who is none the less surrounded by friends and relatives to whom he can be "uncle." The novel is sentimental and somewhat weakened by lapses into cliché; but the *author's picture of life over* three generations is knowledgeable, and her psychological portraits are — as far as they go authentic. She has intelligence and fluency, and there is no reason why her next novel should not go a little deeper. As it is, this is a good example of the American Jewish family novel; but it fails to take full advantage of its real theme, which is the loneliness of a man whose life is crowded out by people who depend on him rather than love him.

Susan Cheever is the daughter of John Cheever, and, like him, writes a bright, well-rinsed prose that is so cleverly constructed that it tends to distract the reader's attention from its content, which is frequently trite. *Looking for Work*, a conventional tale of the breakdown of a girl's premature marriage to an ambitious editor, and her subsequent affair with a more creative man, is disappointingly slick and superficial: the author's sharpness about the nature of those men who use women is blunted by her desire to write a novel that looks professional and controlled.

Patrick Skene Catling's *Jazz* is evidently an attempt to outdo E. L. Doctorow's *Ragtime*. It is the story of the friendship between a strong, underprivileged Creole boy and a weak, privileged white one: it begins in 1913 and continues to the present. Various real life characters such as Louis Armstrong people the pages, and Patrick Skene Catling knows a great deal about jazz. But his attempt to chronicle its development and give coherence to it does not work: it is too self-consciously "knowing," and it is silly about all the well-known sexual connotations. The story underpinning this over-ambitious novel is commonplace and sentimental, though competently handled. There are excellent passages, and one wishes that they were more numerous, and that they fitted better together.

Hawks is a straightforward melodramatic thriller on the increasingly popular "ruthless takeover" theme: here Global Airways is fighting against a conglomerate run by a half-mad recluse in the Howard Hughes mould. The hero is Global's brilliant lawyer, Will Nye, who tries to discover if Howard Hughes—I mean the mysterious J. Stephen Girard—masterminded two crashes damaging to the company. Excellently electrifying," and suitably knowledgeable about its background.

Simon Raven's *The Roses of Picardie* is in the same genre, but has literary overtones, though it does not display all the skill of Raven's clever television scripts. It is a historical adventure tale—the roses of the title form a necklace of rubies which is cursed to bring its wealthy owners "hideous accident or ailments"—grafted onto a modern one. The book strongly recalls Dennis Wheatley, and deserves the kind of success he achieved. It is very good entertainment.

Anglo-saxon passion

BY DEBORAH PICKERING

The British in Love
edited by Jilly Cooper. Arlington Books, £6.50, 243 pages

Love in this cold climate has never been so actively demonstrated over the past few centuries as in the wealth of poetry and prose from which Jilly Cooper has drawn her peculiar collection.

Blurbed as "an amorously autobiographical anthology" *The British in Love* is a collation of collywobbles and heavy breathing ranging from the classically culled to the harshly explicit.

From Marlowe's "Who ever loved that loved not at first sight?" to Clough's "Do not adultery commit, advantage rarely comes of it," the basic (love) theme is all the same—getting it together.

We all know that an Englishman takes time, and perhaps the waiting game was much more rewarding when it was played with a quill pen or a hearts-and-flowers Valentine card (instead of today's tiresomely repetitive chronicles of conquests now promoting the sales of Sunday newspapers).

Here, the reader is dazzled by lesser-known gems — Bertrand Russell, "Love, an Escape from Loneliness," and delighted by savoured recollections—Wilde's Lady Bracknell: "I have always been of the opinion that a man who desires to get married should know everything or nothing."

Unashamedly romantic the collection is spiced with Ms Cooper's peppering of personal agony and ecstacy of past remembrances.

Harmony Jane

BY RACHEL BILLINGTON

The Innocent Diversion: Music in the life and writings of Jane Austen
by Patrick Piggott. Douglas Cleverdon. Clover Hill Editions. £6.90. 184 pages.

There is a conundrum at the heart of Patrick Piggott's *enjoyable book on Jane Austen's* music. Why did someone who "practised regularly every morning"—as recalled by her niece, Caroline—and spent long hours copying out manuscripts, bring to her writing such a generally derogatory attitude to the musically gifted? And why, *in her life, did she declare that* she did not really care for music?

Mr. Piggott sees the problem clearly enough and does his best to answer it. What she disliked, he claims, was "excess" and music is most likely to induce "excess." It may even arouse *the passions to dangerously* emotional levels.

The opposite to "excess" and as such fully approved by Miss Austen, was "taste." In an interesting discussion of the meaning of the word in this context, Mr. Piggott shows how girls like Emma Woodhouse who were technically average pianists could nevertheless shine by virtue of "taste."

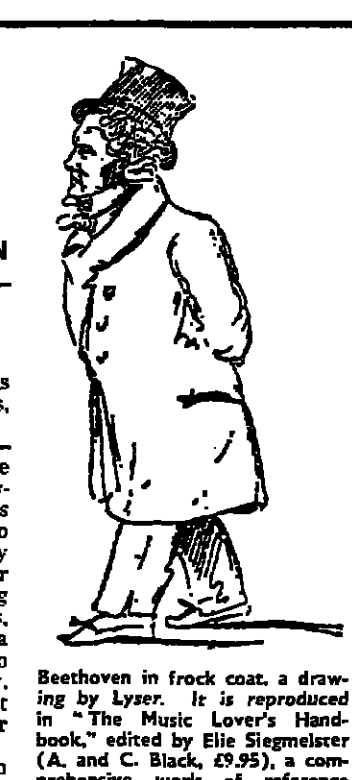
"Taste" had nothing to do with great or even good music. If that was the case Jane Austen would have failed her own test. In the last two chapters of the book, Mr. Piggott examines the music that Jane Austen herself played. Although there are some exceptions, essentially they are light, pretty pieces which do little to advance the case for the author as a musician. This clearly makes Mr. Piggott unhappy. However, making the best of a bad job, he supports the theory that Jane Austen's hours at the piano playing undemanding melodies "acted as some kind of 'trigger' for her imagination, helping her to organise and plan her material before committing it to paper. . . ."

If this is true, it might throw further light on her apparent disapproval of the excessively musical. For the creative process is one of the most intense emotional experiences lived by a human being. Certainly it must have been so in the life of the spinster, Jane Austen. Its intensity, its lack of "taste" or decorum may well have frightened the author herself. Moreover being secretive about her inspiration she would need a cover to hide what she was experiencing from her family. What could be more effective than playing the piano, that most conventional of occupations? However, if this were the case, the piano would be linked in her mind, probably unconsciously, with her own "excess."

Mr. Piggott writes as Jane Austen's "passionate devotee." This makes his book a joyful forage through the novels. He has the gift of bringing to life the characaters with a line or two or a well-chosen quotation so that anyone who knows the novels at all well will be stimulated to recall whole scenes. Perhaps it's like reading a guidebook rather than visiting the country. On the other hand, like a good guide book, it encourages new attitudes, even disagreement.

For it seems to me that a study of Jane Austen's attitude to music shows up very clearly a flaw in the novels which comes from a flaw, or at least a conflict in her character. In a way I have already discussed it. Put crudely, *she likes knocking people down more than she likes* building them up. Her characters are only allowed to survive if they are fundamentally sensible like Elizabeth Bennett or fundamentally silly (and therefore no threat) like Emma Wodehouse. Anything more passionate must be lanced forthwith by the famous rapier wit. This is interesting as she was anything but destructive in her personal life. Indeed she was a thoroughly supportive sister, cousin, aunt. On the other hand it is always a great mistake to think the author and the human being use the same moral structure for their judgments.

Jane Austen is a cruel writer. That she was particularly cruel about musicians shows, unsurprisingly, that she was a very complicated woman. Man kills what he loves most.



Beethoven in frock coat, a drawing by Lyser. *It is reproduced in* "The Music Lover's Handbook," edited by Elie Siegmeister (A. and C. Black, £9.95), a comprehensive work of reference covering all aspects of music

BRIDGE

E. P. C. COTTER

"First trick" hands

TWO "first trick" hands came my way recently, which I hope you will find worthy of study. We start with rubber bridge:

N
♠ 4 2
♥ K 8
♦ A 9 5 3
♣ Q J 9 8 2

W
♠ K J 7 3
♥ J 10 5 2
♦ 7 4
♣ 7 6 3

E
♠ 10 9 8 6
♥ 9 6 3
♦ K 10 8 6
♣ A 5

S
♠ A Q 5
♥ A Q 7 4
♦ Q J 2
♣ K 10 4

With both sides vulnerable, South dealt and bid one heart, North replied with two clubs, and South's three no trumps brought the auction to a close.

Unwilling to lead from his spade tenace, and warned off hearts and clubs by the bidding, West started with the diamond seven, and South, thinking it was a fourth best lead, played low from the table. East, however, who could see that it was *a short suit lead, took with his* King, and switched to the 10 of spades. The declarer played his Ace and led the club King, hoping that West had the Ace. Unfortunately, East had that card, won at once, and returned a spade to defeat the contract.

If South had paused to count his tricks, he would have seen that he could make sure of his contract by winning the first trick with dummy's diamond Ace, and then knocking out the club Ace. In this way, no matter how the cards lie, he must make one spade, three hearts, one diamond, and four clubs.

Misplays such as this, occur daily at the bridge table, and they continue to be made, because on many occasions the cards happen to lie favourably and the sinner is not punished for his sin. On other occasions the defence makes an equally bad blunder, and again the misplay goes unpunished.

We turn to a pairs event in which I was playing:

N
♠ J 8 6
♥ K 9
♦ 8 7 6 3
♣ A 10 4 2

W
♠ A Q 7 2
♥ A 8 6
♦ 2
♣ Q J 9 8 7

E
♠ 10 4 3
♥ Q 10 5 4 3
♦ K 10 5
♣ 6 3

S
♠ K 9 5
♥ J 7 2
♦ A Q J 9 4
♣ K 5

At a love score my partner dealt in the North seat, and after two passes I opened the bidding with one diamond. This was doubled by West, my partner bid a pre-emptive three diamonds—with a good raise to three diamonds she would announce this by bidding two no trumps—and this became the final contract.

West led the club Knave, which was presumably a Roman lead from a suit headed by Queen Knave, nine. By running *this to the King, a finesse position* can be established, but this may not be the right course of action.

It is best to win with dummy's Ace, lead a diamond and finesse the Queen. When this succeeds, a heart is returned, and the King wins, either immediately or later. If West ducks, we enter dummy with the King, take a second diamond finesse, and draw East's King.

Our contract is safe, and we play for an overtrick by leading a spade. West may well have both Ace and Queen. As this is the case, we make 10 tricks without relying on the 10 of clubs. The point is that to set up *and enjoy* the extra club would have been very difficult, and would have wrecked the entire timing of the hand.

CHESS

LEONARD BARDEN

One of the strongest chess tournaments ever staged in Britain takes place next month when the Phillips and Drew Kings, co-sponsored by stockbrokers Phillips and Drew and the Greater London Council, opens at County Hall on April 10. It continues daily until April 25 with main sessions each afternoon, adjournments in the evenings, and rest days on April 14 and 19.

The prize fund will be a British record £10,000 with the winner receiving £3,000 and the bottom, 14th player £200. All but two of the expected competitors are grandmasters. The likely starters are Korchnoi (Switzerland), Browne (U.S.), Andersson (Sweden), Sosonko and Timman (Netherlands), Hort (Czechoslovakia), Sax (Hungary), Larsen (Denmark), Ljubojevic (Yugoslavia), Miles, Nunn, Stean, Speelman and Short (all England). The average grade of the players is 244 (2553 on the international scale), making a World Chess Federation category 13 event.

Spectators will be welcome at the main playing session, and there will be daily game analysis by William Hartston, who is currently commenting the BBC2 Master Game series.

Even with the absence of Karpov and the top Russians (who declined the invitation before Korchnoi was asked) this should be an extremely strong event, probably the best in all-round quality in Britain since Nottingham 1936 when five world champions competed. For a comparable tournament in the capital one has to go back at least to London 1922 when the list was headed by Capablanca and Alekhine but also included a number of weaker players.

One major difference between the Phillips and Drew Kings and the two earlier great events is likely to be the English results. At Nottingham the four home representatives finished in the bottom four places, while at London 1922 although there were *isolated successes such as* Atkins's win from Rubinstein the overseas masters also dominated. But in next month's tournament, despite the elite field, Miles and Nunn cannot be ruled out as possible winners while the centre of interest for the public, which in 1922 was Capablanca, may well be Nigel Short.

In his 1977 form Korchnoi would have been a hot favourite but his recent results have been inconsistent. Maybe he will recapture his elan during his candidates match with Petrosian which starts in Austria next week (with Korchnoi demanding bullet-proof glass and a choice of six hotel rooms to escape the KGB), maybe at 48 the years are catching up. He recently finished third at Wijk aan Zee but won this elegant victory.

White: V. Korchnoi. Black: V. Kovacevic. Opening: Catalan (Wijk aan Zee 1980).

1 P-QB4, P-K3; 2 P-KN3, P-Q4; 3 B-N2, N-KB3; 4 N-KB3, B-K2; 5 P-Q4, 0-0; 6 QN-Q2, P-B3; 7 0-0, P-QN4.

A rare and dubious choice. The move is known in a similar situation where White has played P-QN3, but here White's pawn front is more flexible. Normal is 7 . . . QN-Q2.

8 P-B5, N-K5? (also weak—Black heads for a Dutch defence type position where he *has too many pawns restricting* his own QB); 9 N-K5, P-B3; 10 N-Q3, P-B4? (NxN was essential to keep some freedom of movement); 11 N-B3.

Black is already strategically lost, with no compensation for White's K5 outpost and dark square control. The middle *game is easy to follow and it is* instructive to see how Korchnoi uses the centre grip to prepare an attack down the KN file.

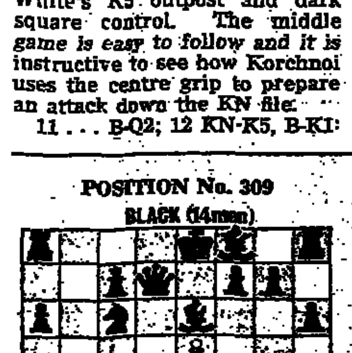
11 . . . B-Q2; 12 KN-K5, B-K1; 13 P-QR4, P-QR4; 14 P-B3, N-N4; 15 P-KN4 ! P-N5; 16 K-R1, B-B3; 17 B-K3, R-R2; 18 R-KN1, K-R1; 19 Q-K1, N-B2; 20 PxP, PxP; 21 B-R3, NxN; 22 PxN, B-R5; 23 Q-Q2, N-R3; 24 N-B4, N-B2; 25 Q-Q3, Q-B1; 26 Q-Q4, Q-Q1; 27 QR-Q1 B-Q2? (losing by force, but otherwise White progresses by doubling rooks on the KN file and/or preparing P-K4); 28 RxP ! KxR; 29 P-K6 dis ch, B-B3; 30 R-N1 ch, K-R1; 31 PxB ! A neat, if obvious, tactic. If BxQ; 32 BxB ch, R-B3; 33 N-R5.

31 . . . QxP; 32 N-R5, N-K1; 33 NxB, NxN; 34 B-R6, R-KB2; 35 B-B4, Q-K3; 36 B-K5, R-R1; 37 R-N5, R-KN1; 38 RxP, Resigns.

For if R-N3; 39 RxN, QxKB; 40 RxR(N6) ch and mates.

POSITION No. 309

BLACK (14 men)

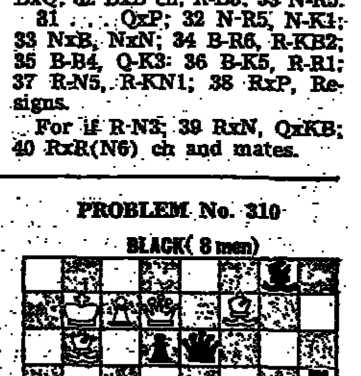


WHITE (13 men)

E. Lobron (West Germany) v. H. J. Plaskett (England), European junior championship, Groningen 1979-80. White (to move) thought for an hour, played 1 RxRP, and later lost. He discarded the sacrifice 1 RxQP because of 1 . . . NxR; 2 NxN, B-K2. Was he right?

PROBLEM No. 310

BLACK (8 men)



WHITE (10 men)

White mates in two moves, against any defence (by C. Mansfield, 1st prize Skakbladet 1962)—an elegant construction by Britain's grandmaster composer.

Solutions Page 10

HOW TO SPEND IT

by Feona McEwan

On the brink of extinction, the forgotten fisher gansey is now flourishing in the North East of England and a tradition lives on.

Warming to a theme

In its element: traditional gansey uniform as it was worn by North East fishermen at the turn of the century

Keeping out the elements: from Cullercoats, Northumberland, this fisher gansey is the design of one Mrs. Meadows

KEEPING a weather eye always open seems to me a singularly British trait. True, one glance at our wayward skies and we may be forgiven for this banal preoccupation with brollies, foglamps and the weather man. But well weathered though we be, weather beaten we are not.

For when it comes to keeping warm, we have come up with some mighty sensible solutions.

Not surprisingly, it's the seaboard communities in the United Kingdom who have cracked the chilly problem better than most. The popular Guernsey, Arran and Shetland sweaters — traditional fisherman's garb which we landlubbers have shamelessly adopted—are witness to that.

Now a less known member of that woolly clan emerges to offer us another form of central heating.

This is the fisher gansey—a native of England's North Eastern shores—where fishermen from the Tweed to the Humber have braved the elements for generations clad in their gansey uniform.

Every pullover, like the Scottish tartans, tells a story, with each region having its own particular pattern. So distinctive were they, the story goes, that were a fisherman to be drowned at sea, he would be instantly recognised by the cut of his gansey.

It's a wonder that the North East fisher gansey has survived *at all, for until now it's been a* strictly oral tradition, learnt at mother's knee. But with the dwindling of the inshore fishing industry, the traditional sweaters were in danger of extinction. That is until local artist and designer Mike Pearson of Whitley Bay came along to champion the cause. By annotating the various patterns and alerting the public to their charms he has seen to their survival.

He is currently working on a series of booklets focusing on traditional fishermen's sweaters of the British Isles. The first is *Fisher-Gansey Patterns of N.E. England* and includes six fully annotated patterns. You can buy it from Mike Pearson at 31, Eskdale Terrace, Whitley Bay, Tyne and Wear, for £1.50 plus 20p p+p.

Retailing at up to as much as £60, the fisher gansey is no ordinary sweater. But then it started out as a work garment, so is hardy as well as handsome.

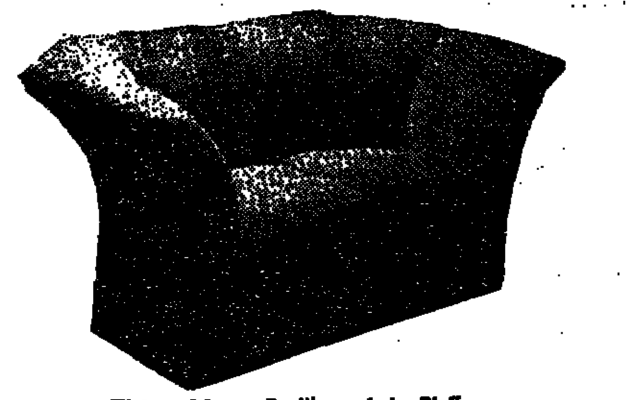
It is knitted in the round, like a sock, on five needles which are specially made — either pointed at both ends or circular —so the sweater is seamless with no weak links. The wool is of the highest quality, five-ply worsted which is tightly worked to "turn water." A 50 gram ball costs about 80p and can be found at specialist wool shops.

Then there's the pattern. This is traditionally worked down to the elbow and mid-chest leaving the remaining areas—which receive toughest wear—plain, for easy replacement. The idea being that when the sweater wears through, it can simply be unpicked back to the pattern and reknitted. A sweater built to last a lifetime.

There is one recorded gansey still being worn by its original owner, 60 years on.

Those who are nimble on the needles might like to knit their own gansey though I am told it is not beginner's stuff. For full details of the knitting packs (available in sizes 32 to 48 for men and women), including wool (either navy or cream), needles and pattern, apply to *Mike Pearson at the above* address and he will send you an order form. Enclose a stamped addressed envelope. Prices start at about £14 for a size 32. If, alternatively, you wish to find your own wool he will supply the specially-made traditional needles for 75p for five plus 20p p+p.

Ready-made fisher ganseys are available exclusively at the retail outlets of specialist knitwear shops of Scottish Merchant, 16, New Row, London, WC2, and its new relation Tomlinson and Tomlinson at 8, Hornton Street, London, W8. An off-the-peg gansey will cost you about £58.75 at today's wool prices.



Flights of fancy: Papillon sofa by Pieff

Showing off

IT IS about this time of year that home makers converge on the giant market place of the big exhibition halls to peruse all that is new and hopefully stimulating on the home front. On Tuesday the Ideal Home Exhibition throws open its doors at Earls Court and tomorrow Interior Design International '80 (formerly Decor International at its Birmingham venue) moves into Olympia, both in London.

Today we bring a sneak preview of both. The pleasing lines of the innovative sofa, above, well justify its name, Papillon. From the forward-thinking English manufacturers, Pieff, the range (which includes chair, two and three seater sofa) is designed by their young find Hilary Birkbeck, who is newly *out of college.*

The seating is unusual in that it is built on a welded wire mesh frame (a newish technique in upholstery which reduces the fire hazard), and comes in a wide range of coverings, from cotton print or wool viscose, to rich velvets or in a suitable *fabric of your own choice.*

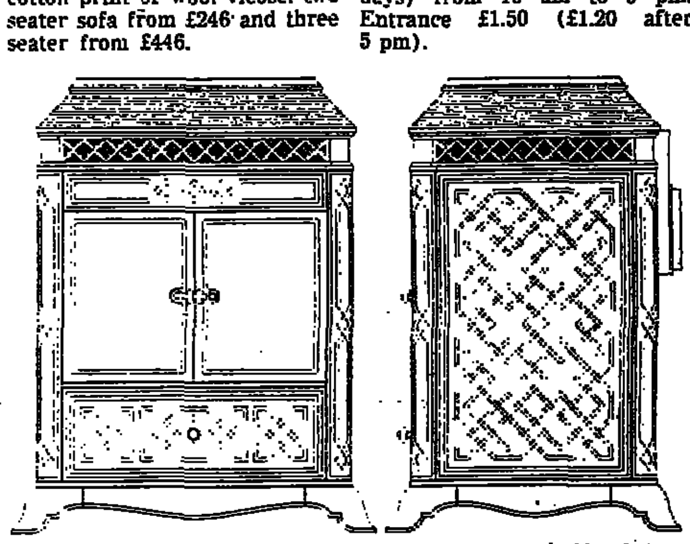
Just into the shops, find Papillon (you may have to order) from Hopewell of Nottingham; Rackhams of Birmingham; Howells of Cardiff; Frasers of Glasgow; Arnotts group of stores in Scotland; Heal's and Harrods, London. Prices for a chair are from £178 covered in cotton print or wool vicose, two seater sofa from £246 and three seater from £446.

Though a trade exhibition, this event will appeal to anyone interested in latest trends in the interior design field, and much of the merchandise shown by the 250 international exhibitors is readily available in this country. Open tomorrow until Thursday from 10.30 a.m. (12 noon tomorrow) to 6 p.m. (5 p.m. Thursday. Admission £1.

The firebox below, has been commissioned by the enterprising Solid Fuel Advisory Service, who are forever trying to tempt us into coal-using ways. It is designed by Chester Jones of the blue-blooded interior design group Colefax and Fowler and manufactured in Scotland by Smith and Wellstood, the Esse people.

Though not to everyone's taste, the Bontesse, is rather an exceptional roomheater in that it is freestanding, requiring no fireplace, only a flue. Moulded in cast iron, it measures a sizeable 885 mm high, 596 mm deep and 730 mm wide and belts out up to 12 Kw of heat, depending on whether it's one of the back boiler models or not. Bontesse will burn all types of solid fuel or wood, with the doors open or closed. Available from about June at a price, though not yet fixed, that promises no return from £600.

The Ideal Home Exhibition, about which more next week, runs from Tuesday until Saturday, March 29 (except Sundays) from 10 am to 9 pm. Entrance £1.50 (£1.20 after 5 pm).



Two ways of looking at the Bontesse stove: front and side views

Green battlefield

GARDENING

ARTHUR HELLYER

THE AVERAGE cost of developing a new chemical for crop protection is now around £12m, somethin glike 30 per cent of which is spent on satisfying governments in all the major crop producing countries to which we sell chemicals that they really are safe to use. The cost is increasing all the time partly as a result of inflation but also because the safety regulations are becoming ever more stringent.

So the development of these chemicals is now exclusively in the hands of the big companies *and even they are only prepared* to consider chemicals which appear to be suitable for the really big commercial crops, cotton maybe, cereals, apples or grapes. There is no hope at all for a chemical which might have a more limited use, for roses perhaps or even for crops such as cabbages or peas since the sales could not possibly repay the cost of development and proving.

This makes the pyrethrin story exceptionally interesting. Pyrethrin is a chemical found in the flower heads of some species of chrysanthemum, those popularly known as pyrethrums. Its insecticidal value has been known for well over a century and large crops of pyrethrums are grown in Africa to provide the raw material from which it is prepared. Pyrethrin has a very low mammalian toxicity which means that even if you *or your dog consume quite a lot* of it will not matter much. It is also a natural product and those two qualities have ensured its popularity with many householders. It was widely used in fly sprays for its quick knock down effect but its shortcoming has always been that many insects, though they fall struggling to the ground almost as soon as they are hit by it, later recover and fly away. To prevent this it was usual to add somemore deadly insecticide which lacked the quick effect.

So for generations pyrethrum remained mainly a household spray with a small spin off for the garden and virtually no place in the great agricultural market. Then the chemists began to take an interest in it. They found out what particular molecule in the pyrethum flowers was insecticidal and then they reproduced its synthetically. In the way that chemists have they began to make other similar but subtly different molecules and test them out on insects and they soon found that some were much more effective killers than the original natural product.

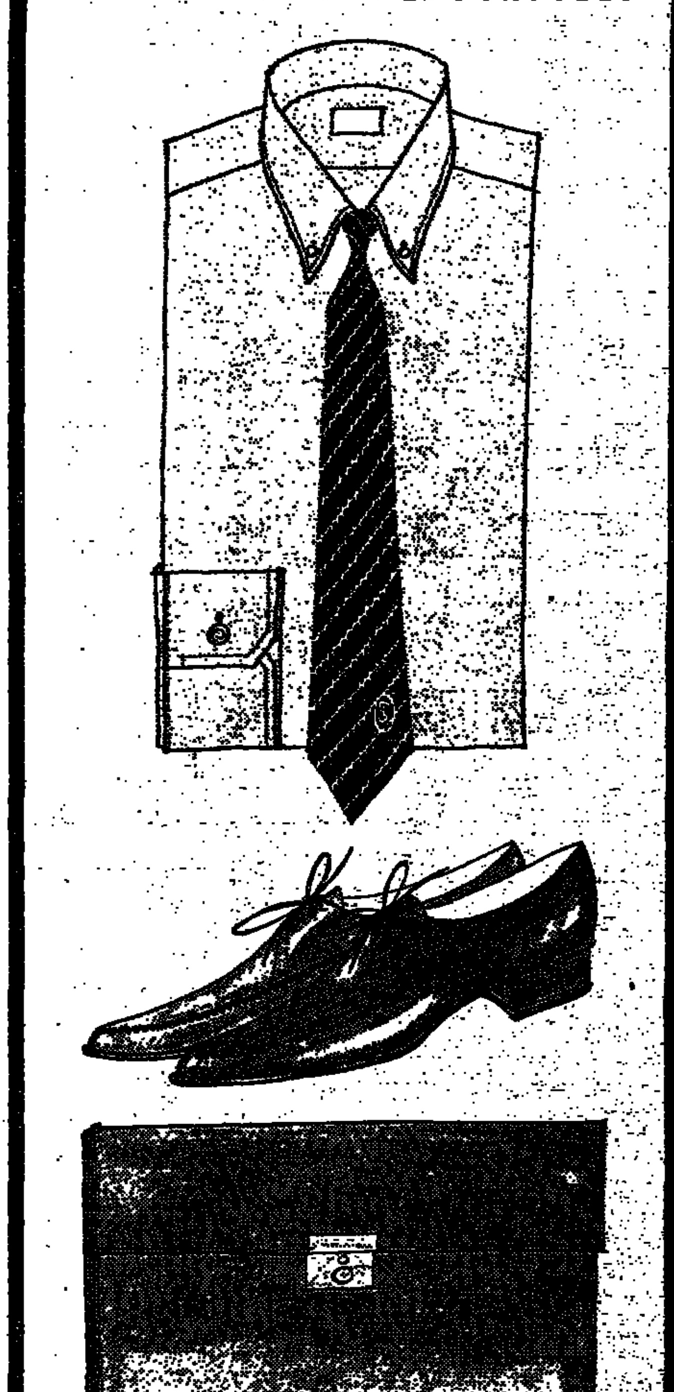
So the race was on. All the initial work had been done at the Government owned agricultural research station at Rothamsted but once it had produced spectacular results commercial firms joined in the hunt for even more potent pyrethrums. Resmethrin and bioresmethrin were soon on the market and other pyrethrins followed with more still in the pipe line. I understand that some of the latest are so powerful that a mere 25 grammes of the active molecule is sufficient to treat a hectare of crops.

One of the new pyrethrins is named permethrin and it has been in large scale production for the agricultural and commercial horticultural market for some time under the trade name Ambush. Farmers and growers have been very pleased with it and now gardeners are going to have a chance to try it under the new name Picket. Though I have not yet had a chance to use it I have no doubt from the large scale results that it is going to be useful. It is particularly effective against whiteflies and is said to kill the eggs and scales as well as the adult flies which is going to make control of this rapidly advancing pest much easier. Though it does not pass into the sap, as systemic chemicals do, it is absorbed by the waxy coating of leaves and this prevents it from being washed off. It is said to remain effective for up to 21 days.

Picket is also a good caterpillar killer and is effective against apple codlin moth caterpillars and apple sawfly grubs. Not so much has been said *about it as a greenfly killer but* good aphicides are now so numerous that this matters little. I shall be entirely happy if it solves my whitefly problem.

What is most gratifying about this piece of chemical wizardry is that it appears to have been accomplished with little or no increase of danger to warm blooded creatures. Humans, their pets and domestic animals and the birds are still quite safe but it would not be wise to take any chances with the bees. After all they too are insects.

Simpson
PICCADILLY



An Eye for Detail

Attention to detail is the mark of the discerning dresser – and accessories like these provide the perfect complement to executive elegance. Pure cotton hairline shirt, £19.50. Initialled tie, £9.50. Briefcase, £45.00. Leather lace-up shoes, £34.50.

Simpson (Piccadilly) Ltd., London, W1A 2AS. 01-734 2002
Open until 7.00 p.m. Thursdays, 5.30 p.m. Saturdays.

Traditional puddings

BY JULIE HAMILTON

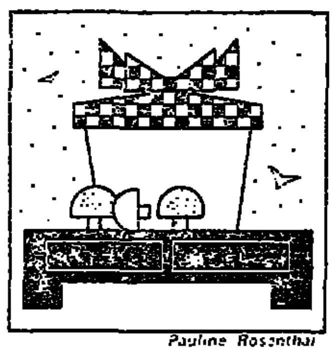
SUET BRINGS out the timidity in people. This is probably because there is not a wide range of uses for "suet crust," the soft almost dough-like form of pastry made by using suet instead of other forms of fat.

All the mystery about making suet crust and the fears of possible disasters must surely *be put about by people who* have never tried it. I am confident that if you use my recipe you cannot fail.

The method is in principle similar to the making of the more common types of pastry: it is the cooking that is different.

If you find suet crust on the heavy side, substitute fresh white breadcrumbs for part of the flour. For puddings especially, half and half is a favourite combination. And *remember that the finer you* shred your fresh suet the lighter the end result will be. Due to a Common Market ruling, you may find it hard to get fresh suet, particularly in London. In that case, packeted kinds like Atora work quite adequately.

For me there is nothing to surpass the traditional way of making a steak and kidney pudding and the recipe that follows has been handed down from my great grandmother.



Pauline Rosenthal

Steak & Kidney Pudding

serves 4 with seconds or 6 without

1 lb best stewing steak; ½ lb ox kidney; ½ lb mushrooms; 1 tablespoon flour; 1 heaped teaspoon salt; lots of black pepper

For the suet pastry: 6 oz suet (fresh if you can possibly get it, otherwise packeted); 10 oz self-raising flour; pinch of salt

Cut up the steak and kidney into squares of about one inch. Roughly cut up the mushrooms and their stalks. No need to peel them if they are fresh and clean; large open one are the best. Put the meat and mushrooms in a bowl, sprinkle the flour, salt and pepper over them and mix well. Leave to stand while you are making the suet pastry.

If using fresh suet, grate it as you would cheese. Sift the flour into a bowl twice and mix in the suet and a pinch of salt. When the two ingredients are *well blended add just enough* very cold water to make a firmish dough. Remember that the less water you can manage with the lighter the suet pastry will be.

Turn the dough out on to a floured surface and knead it lightly until you can roll it out without it breaking. Grease well a three or four pint pudding basin with lard, make ready two layers of greaseproof paper, one of which you have greased and floured, and a cloth 18 inches or two foot square.

Cut off one third of the dough and put it on one side. Roll out the remaining dough to form a circle of about 14 inches diameter. Fold it in half and then in half again to form a triangle. Carefully lift it and place the apex in the bottom of the basin: unfold the pastry with care and press it to the sides and bottom of the basin. Make sure there are no holes in it and the top overlaps the edge of the basin.

Tip the meat and the mushrooms into it and pour in enough water to come just to within an inch of the top. Now roll out the remaining dough to form a circle large enough to cover the top completely. Lay it over the meat, pinch the edges together and tuck them down just inside the basin, thus totally sealing the meat.

It is important that there is no break or hole in the pastry.

Lay the layered greaseproof paper on the pastry so that it covers it completely and overlaps a little. Do the same with the second layer of greaseproof paper. Place the cloth on top so that it hangs down the side of the basin, secure it very firmly with a piece of string so that when you tie up the corners of the cloth the string rises and clings unyieldingly to the ridge at the top of the basin. Tie the opposite corners of the cloth to one another, forming a firm knot on the top of the pudding.

Put enough water in a large saucepan to come half way up the side of the basin, bring it to the boil and place the pudding in it. Put on the lid and let it boil for about half an hour. Now reduce the heat so that it is just simmering very slowly and cook like this for at least four hours —but it could be all day. You could put the pan in the oven, turned low for simmering, but from time to time you must check and, if necessary, top up the water level which should always be half-way up the basin.

Steamed Plums and Spice

Serves 4 to 6

Steamed suet puddings, often conjure up awful memories of school dinners with greasy, tepid puddings in revolting lumpy custard. Do not try to break down a resistance based on such experiences. It is impossible. But if you are cooking for someone who has never had suet puddings or has wonderful memories of mother's, here are a couple of really delicious recipes.

For the suet pastry: 6 oz self raising flour; 2 oz fresh white breadcrumbs; 4 oz shredded suet; good pinch salt; cold water to mix.

2 lbs fresh or tinned plums; 2 tablespoons brandy; 2 tablespoons brown sugar if using fresh plums; ½ teaspoon cinnamon; ½ teaspoon nutmeg; pinch of ginger.

Prepare the plums first. Stone them and cut them into halves *if using fresh ones. If tinned,* strain them and set the juice on one side. Add the spices, brandy (and sugar for fresh ones) and leave to stand awhile. Make the suet crust exactly the same as for steak and kidney pudding, treating the breadcrumbs as part of the flour. Grease a two-pint pudding basin and line it in the *manner described above, pour* in the plums (if using tinned, add some of the juice). Now proceed as for steak and kidney and cook for approximately two hours.

To serve, remove the cloth and greaseproof paper and let the pudding stand a few minutes to allow the steam to escape before you turn it out.

It is sometimes the force of the escaping steam which causes the pudding to crack. Gently shake the basin to make sure the pudding is loose within. Place a warm serving plate on the top and invert. Remove the *bowl carefully.* Serve with lightly whipped cream.

Steamed Honey Pudding

Serves 4 to 6

My last recipe will appeal to the child in us all. It is very light and can be made with jam or honey or even golden syrup.

6 oz self-raising flour; 3 oz fresh white breadcrumbs; 4 oz shredded suet; 4 oz caster sugar; 1 egg; milk to mix; 1 tablespoon clear honey (or thick honey warmed); 1 teaspoon finely grated lemon rind

Sift the flour twice, add a pinch of salt and mix in the suet, sugar, lemon rind and breadcrumbs. Lightly beat the egg and stir it into the dry ingredients along with some milk to make a soft dough of a dropping consistency. Butter a two-pint pudding basin and place a tablespoon of runny honey in the bottom. Spoon the mixture in and cover with two layers of buttered greaseproof paper secured with string (no need for a cloth).

Place the basin on an upturned saucer in a large pan of simmering water which comes two-thirds up the sides of the basin. Put on the lid and steam for two or two and a half hours. To serve, loosen the sides of the pudding with a knife and turn out on to a hot serving dish. Warm some honey so that it runs freely and serve separately.

Postscript

IF YOU are engaged in the niggly business of carpet hunting, you might take yourself along to Afia Carpets, 81 Baker Street, London W1, during the coming week, for their Rollover Sale, where there are some useful savings to be made.

There, among the end of rolls, you'll find reductions on navy blue Wilton, down from £12.55 to £6.25 a linear yard, and their own very successful Aña Berber carpet (normally in Oatmeal and Spice colourways at £6.85 a sq yd) slightly imperfect, in Mushroom, selling for just £5.25 a square yard, in 100 per cent pure new wool, backed or not. It's a great help if you can take in your room measurements. Delivery throughout the country can be arranged.

These reductions and more are in addition to the shop's permanent rollover display board which keeps some 70 carpet reductions on offer and is well worth noting.

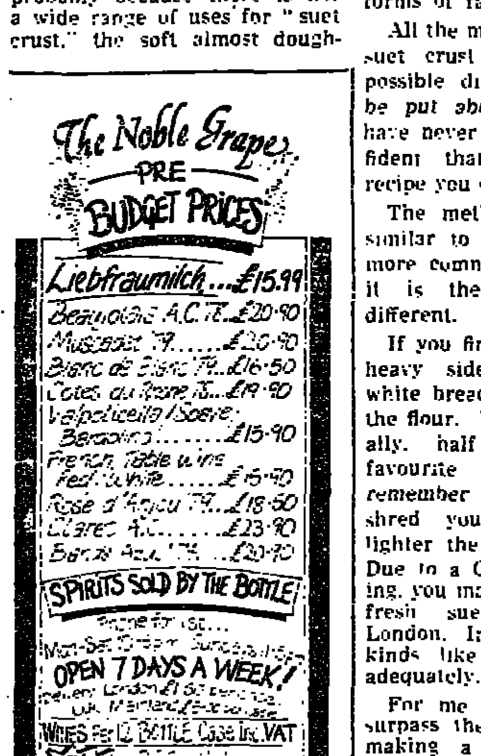
●

DO YOU know your blood group, when you had your last cancer check or when your next dental visit is due? If not you may appreciate the virtues of an invaluable little notebook called The Medical Passport which by noting dates and details of jabs, doctors visits, X-rays and so on, takes the guessing out of your medical records. Ideally parents start filling it in for their young children who, when old enough, take it over. Available by mail order for just £1 including postage from Medical Passport, 14 Pall Mall, London SW1.

●

Footnote: following mention last year of Rosemary Macindoe's sturdy shooting stockings *and the subsequent* flood of requests, she has asked this year if people could please order early—like now—to prevent a backlog. Send a stamped addressed envelope to her at Flat K, 14 Sloane Court East, London SW3 for details of patterns and prices.

Lucia van der Post is on holiday.



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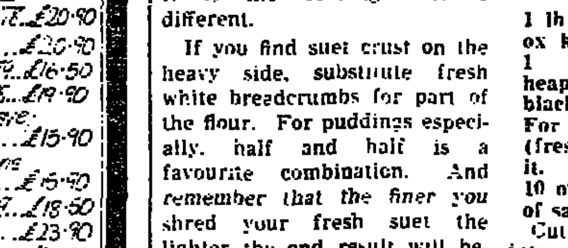

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ARTS

One more river

Listening to Saturday Night Theatre (Radio 4 UK, February 23) which was a radio version by Donald McWhinnie of Paul Scott's novel The Mark of the Warrior I found myself wondering why it had not long ago been made into a movie. The setting is India during the second world war, the action traces the relations between a Major Craig and the ablest of the cadets in the training school of which he is the commanding officer. It cried out for John Mills trekking through the jungle with David Lean in charge of the direction.

The prologue is a natural to precede the credit titles. Craig is leading the remnants of an India rifle company across a river in the retreat to Imphal during the Burma campaign in 1942. It is a somewhat tricky operation involving the construction of a raft and the towing across of a number of men who cannot swim. Craig's competent young English lieutenant Ramsay helps him supervise the crossing, shepherding the non-swimmers, going back and forth across the water several times himself.

RADIO

ANTHONY CURTIS

It is while Ramsay is swimming across for the last time that the raft breaks up and an enemy patrol opens fire. The non-swimmers are all drowned: Ramsay, fatally wounded, dies shortly afterwards and is buried before the column moves on towards India.

The whole episode, described in a couple of pages of Scott's spare, bare prose, packs a tremendous punch. Unfortunately on radio you cannot make quite such an initial impact with only words and noises to play with. Never mind: the tension was kept up brilliantly for the rest of the story. Craig is posted as CO to the training camp and among his first intake of cadets is his dead subaltern's younger brother. The radio play revealed Craig mastering his guilt over the death of the older boy and becoming even more entangled in guilt with the younger. In John Tydeman's production Patrick Barr played Craig and Michael Cochrane Ramsay. Here it is the voice of experience that has to sound unsure of itself while that of youth is bursting with over-confident authority.

Craig recognises in young Ramsay "the mark of the warrior," someone with an innate, lethal sense of leadership on whose command and judgment others can rely in terms of crisis. This Kipling-like notion is worked out over a series of training sessions during which Ramsay soon emerges as the natural leader of the group. He takes the mock-battle as earnestly as his brother took the real one, but it is too much of a good thing when he meets his death in exactly the same way. The adapter felt he had to introduce a disembodied Voice (John Church) to interrogate the two principals which must have puzzled anyone who had not read the book. Apart from that Tydeman and McWhinnie gave us a pretty smooth, exciting ride.

Radio drama listeners are required to be alert these days to the technical tricks of the trade, to judge by this week's Monday Play. *The Barley Sugar Lollipop* by J. C. W. Brook (Radio 4 UK, February 25) dodged about between past and present with the rapidity of a demented Proust. You needed to be concentrating hard, not just vaguely listening, to keep hold of the thread. Nothing wrong about that, I suppose.

Eventually the thread guided us to a truly impossible woman (Frances Jeater) whom Sean Barrett (the hero, though that's not quite the word for him) had met first when she was a student and whom he had almost but not quite married. Instead of disappearing for good she had an unhappy knack of bobbing up everywhere and thus destroying the stability of his marriage. The play rather cleverly traced her irruptions not in a linear way but by putting the past in alignment with the present. Ian Cotterell, the producer, took some calculated risks and I thought he got away with it. You can hear a repeat at 2.30 on Sunday. The moral of the piece was clear: never try to make a friend of an ex-girlfriend.

It was followed by the first in a new series on *Three Women Gardeners* which should capture a huge audience. This one was all about the formidable but kindly Miss Jekyll with Betty Hardy as the green-fingered lady, and several recollections from people who visited her in her garden. Next Monday it is the turn of V. Sackville-West with Rosalie Crutchley to read her words. Should be well worth hearing.

Onegin/Poppea

BY RONALD CRICHTON

Welsh National Opera's remarkable, new *Eugene Onegin* is the first production of a classical opera by the Romanian Alexei Serban, celebrated for his theatre work in New York and elsewhere. Michael Yeargan, the designer, also works in New York. Mark Ermler, the conductor, is a Leningrad musician from the Bolshoi Theatre in Moscow. The diversity, nothing in itself if it did not work, has produced a keenly conceived, precisely executed *Onegin*, with direction, design and musical performance reaching a level of polish and distinction not invariably achieved nowadays by London opera houses, showing once again that at their best, WNO are the most enterprising outward-looking and generally intelligent of our companies.

What is remarkable is general excellence, not novelty. Mr. Serban's approach is through text and music, with treatment fresh but not eccentric or dogmatic. He even has the courage to be a little old-fashioned when it suits him, preferring to freeze characters rather than fill the stage with unnecessary movement. When occasionally he leans heavily on symbolism, Mr. Yeargan's designs with their strong architectural feel, clear shapes scrupulously positioned and simple beauty of detail, are there to correct the balance—for example when the producer emphasises the slap in the face Tatiana receives from Onegin's rejection by making the open country setting of waving corn close in on her with a confining trellis screen.

The cornfield as background to Tatiana's nocturnal letter-writing disconcerts at first (the scene is often bungled by poor design) yet when the half-dreaming girl glides surrealistically between bedroom and open air producer and designer's treatment of space seems no more cavalier than composer's foreshortening of time. There is much gauze and scrim, too much for some tastes, but used purposefully, not merely as subterfuge or veil of mystery. Always, direction and design work closely together and with them, the singers.

Thomas Allen's Onegin, a white-faced ramrod stiff with the inner tensions usually lavished on Tatiana, screws up the tension in the Petersburg scenes until his collapse seems far more than the conventional retreat into shame and ignominy. The Tatiana of Josephine Barstow is not a gawky hoyden, but a slim, straight-backed, distinguished young lady with long, serious features, shy and searching glances and a secret quizzical humour covering her sudden impulses and the misery they bring her.

Both Onegin and Tatiana sang admirably. Miss Barstow's faultless diction (new and welcome weapon in her armoury) helped her to spin out some pianissimo phrases that held the house in a silence unusual in rustling Cardiff. In this she was joined by Anthony Rolfe Johnson, whose Lensky is much finer than the sketch he gave at Edinburgh last year. Cynthia Buchan's bouncing, black-eyed Olga, the Larina of Helen Watts and the Filipyevna of Menai Davies, the kindly Gremin of David Gwynne, the incisive Zaretsky of Julian Moyle, Neville Ackerman's Triquet, each add something distinctive. The chorus, singing or dancing or doing both together, display individual and corporate commitment of a kind seldom reached in London.

If there is such a thing as a real Chaikovsky tradition it must surely include wide variations. Mr. Ermler conducted with less rapturous and delightful flexibility than Rostropovich at Aldeburgh last summer. His clearly demarcated speeds did not prevent the orchestra from playing with intense expressiveness. Sometimes, as in his punched-up accelerandos (one of them in the letter scene, another in the very vivid quarrel ensemble), one had a slightly mechanical feeling of "this is how we do it." By contrast with the vigorous dances, Triquet's song was filled with deliberately nostalgic sentiment, and for once was touching as well as silly. Much more to mention, like the dying Lensky's glazed walk towards Onegin to crumble at his feet. Further performances in Cardiff today and March 5 and 7, subsequently at Oxford, Bristol and Birmingham.

★

On Tuesday, the previous evening, Michael Geliot's production of Monteverdi's *Coronation of Poppea* in an edition prepared and conducted by Wyn Davies, reached Cardiff after a preliminary showing at Mold. Monteverdi in the opera house swings between extremes of vulgar luxury and arty-crafty austerity. What is more, the separate pendulums for producers and conductors do not always keep time. On the musical side the range runs from upholstered Leppard to lean, sparse Norrington. Somewhere in between comes Harnoncourt, with authentic instruments, but no skimping on number or colour.

Thomas Allen and Josephine Barstow as Onegin and Tatiana

Harnoncourt's producer for the much-travelled Zurich stagings, was Ponnelle, notoriously averse from reticence, economy or holding-back, right at the fat end of the producers' range. Geliot-Davies are more lean than fat. They match pretty well, yet the sum is disappointing. Wrong, no doubt, to judge from this performance, visibly and audibly thrown off-balance by the promixity of the following night's première of *Eugene Onegin*. The light continuo (cello, bass, harpsichord, organ) seemed at first to favour the words of the Dunn-Davies translation and spare the voices, but it soon became clear that in this theatre there was insufficient support to conceal patches of tired singing.

The Rome conjured up by Mr. Geliot and his designer Annena Stubbs is an underpopulated, improbably clean and well-ordered place, more like modern Finland than the sink of Imperial corruption. Three dancers were used to link the scenes. At first decorative, they became monotonous, finally tedious. The two girls were topless. For a breathless moment we even saw Poppea topless, but as breasts are now about as shocking as Victorian ankles one wasn't automatically transported to the orgiastic capital. The dramatic pace was slow: Nero's drinking bout with Lucano and the unravelling of the attempted murder of Poppea were two episodes where time hung heavy.

Of the singers, only the Seneca of Stafford Dean was a fully-rounded, completely fulfilled portrait. Eiddwen Harrhy, one of our outstanding young sopranos, does not have the sensual timbre that have made some Poppeas memorable. Yet with Poppea sensuality was a means to an ambitious end, and Miss Harrhy's clear, confident, well-poised tones made their own kind of sense, and the gleam of triumph in her eyes in the final scene will linger in the memory. At future performances Mr. Geliot will surely contrive that if Nero places Poppea's crown on askew, the courts ladies will put it straight.

Nero is Arthur Davies, a promising young tenor far too likeable for the monstrous emperor, cast right against the grain and once the role has been heard adequately sung at the proper soprano pitch, any tenor becomes unacceptable. Catherine Savory, another promising artist, showed that a young Ottavia can be more touching than a mature one. Nicholas Folwell bravely tackled Ottone at short notice. The Drusilla of Mary Davies had a glitter that seemed to belong to a different, more entertaining production. The other parts (there are no unrewarding roles in this opera, but they need some doing) suffered from lack of ripeness.

The Liberty Suit

BY MICHAEL COVENEY

The second contribution of the excellent Projects Arts Centre of Dublin to the "Sense of Ireland" festival is a revival of Peter Sheridan's *The Liberty Suit* at the Royal Court. First seen at the Dublin Festival of 1977, it is an engaging but muddied prison play set among the scaffolded interior of a Dublin juvenile prison where two strongly contrasted villains have been sent for two years. Kava (Peter Caffrey) is an habitual criminal occupying familiar territory, while Curley (Gabriel Byrne) is a more mysterious arsonist pleading the privileges of a political prisoner without, apparently, being entitled to them.

This is the play's central confusion. For although it progresses to document Curley's politicisation and hint at his independence of official IRA policy, we are never clearly informed as to why he has burned down a department store or whether, in fact he was acting on orders.

Through the virile bonhomie of the prison set pieces, the best of which is a Christmas talent show for the inmates in which Curley wins a prize with his critical song of the prison system in preference to the Johnny Cash performance of Kava, Curley develops a love of poetry, an awareness of large political issues and a contempt for the dull mechanical routine of cell life. His anger is fired by the dramatic suicide, just after the contest, of a helpless neurotic. On arrival, Curley had replied to an IRA convict's flaunting of a Lenin badge with the quip "Where's Yoko Ono?" After the interval, Lenin's portrait hangs by his bed in austere contrast to the surrounding gatefolds.

Not only is the political education theme sketchily outlined, but the threatened examination of attitudes among the prison officers never takes off. What remains is a series of powerful and very well performed group scenes that could belong to any prison play ever written. The director is Jim Sheridan and, in addition to the grinning bullyboy of Mr. Caffrey, there are beautifully detailed performances from Vincent McCabe as the strong-arm officer and Annie Kilmartin as a teacher whose discussion of "The Ballad of Reading Gaol" starts Curley on the road to self-discovery.

Ronald Smith

When heart, mind and fingers are in accord, Ronald Smith can present a recital with refreshing directness. Technical problems then do not obtrude, whether or not they are successfully negotiated. At his best, Mr. Smith has an enviable detachment, an ability to pursue his thesis beyond or in spite of the notes themselves. Fascination with the mechanics of playing 19th-century piano music not only affects his programming—there are usually studies, by one composer or another, in his concerts—but also his approach to the musical text. Few pianists make one so aware of the workings of keyboard figuration, or allow subsidiary lines so much prominence. The effect is not always comfortable, but it does provoke thought.

Also, there is usually a novelty in his programmes. In Thursday evening's all-Chopin recital in the Elizabeth Hall, it was a group of four mazurkas, none of them from the edition published in the composer's lifetime, three of them familiar. The fourth, too, was familiar in outline as the F minor, Op. 68, No. 4, but played here with a second interlude sketched in the autograph and realised by Mr. Smith — harmonically ambiguous, prophetic perhaps of the direction Chopin's music might have taken, had he lived.

The group was played much as one would expect, with straightforward, unvarnished tone, and no attempt to milk extra pathos out of the music. Otherwise, there were exasperation and charm in equal quantities — a *Polonaise-fantasie* of smudged passage work and unheroic climax, the mazurkas Op. 30 worried and hurried until all poise was lost, the studies Op. 25 begun in similar haste and inaccuracy. Thereafter, however, balance was regained. The E minor study extracted full weight from its crushed dissonances, the C sharp minor shaped nobly, austere and crisply voiced. Mr. Smith went on to the D minor sonata; the first movement's teeming energy was not always suggested and loose ends in the development section were not tidied away, but simplicity of approach in the rest of the work gave straightforward pleasure to his faithful band of admirers.

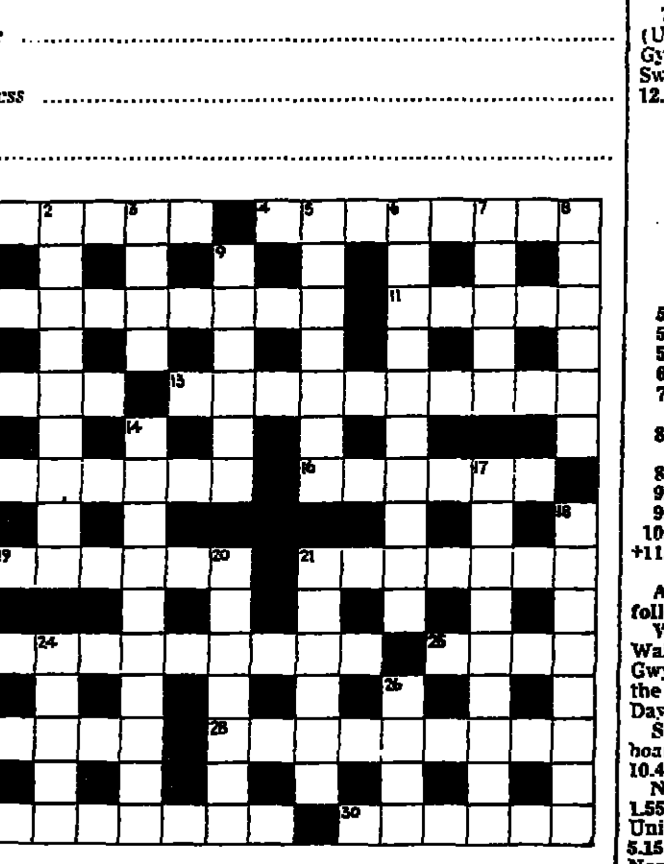
ANDREW CLEMENTS

F.T. CROSSWORD PUZZLE No. 4,214

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



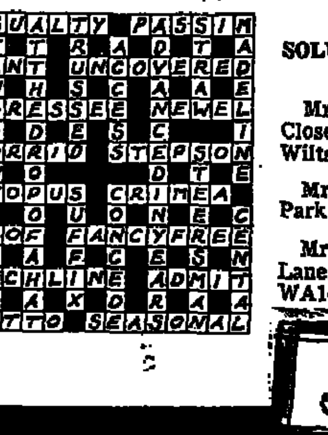
ACROSS

1 Pay to behold boxing match (3, 3)
4 Gamble with individual soldiers for example (8)
10 Pitch saint into covering up sheet (9)
11 Runner between 12 and 13 stones by the way (5)
12 May I ask sound of quarry (4)
13 Dish for party attracting attention (2, 2, 3, 3)
15 Exhibition dismissed lead from place (4, 3)
16 Tempt ten ingredients with hard water (6)
19 Stuck on western border with daughter (6)
21 Mark with squares gets money order right (7)
23 Fastening on to series of games with musicians (6, 4)
25 Check way to work (4)
27 Motorway twice goes round a resort in U.S. (5)
28 Part of prison with a Paddy in wine store (9)
29 Kept firm date side could alter (8)
30 Holiday when things don't go right (3-3)

DOWN

1 Accepts as adequate suggestion that we should go by (4, 4)
2 Bump into European lighterman's fender (5-4)
3 State of America disclosed in Honolulu Tahiti etc (4)
5 Mortification of writer over broken cane (7)
6 Flirtatious invitation to strike female (4-6)
7 First person taking shelter in scuffle (5)
8 Stage-fright gives courage (6)
9 Getting on for a Liberal majority (6)
14 Language bound to be speechless (6-4)
17 Pay attention to eccentric queen for instance (5, 4)
18 Support male over Sally's first and last forecast (8)
20 Girl presented to airman before the French collapse (7)
21 Source of light for beginner in new dance (6)
22 A beast is emerging as a musketeer (6)
24 Red Indian the railways welcome (5)
26 Part of fishing tackle sounds like a blunder (4)

Solution to Puzzle No. 4,213



TV Radio

BBC 1

† Indicates programme in black and white

7.40-8.30 am Open University (Ultra high frequency only). 9.05 Gymnast. 9.30 Multi-coloured Swap Shop. 12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20); Racing from Newbury (12.50, 1.25, 1.55); Badminton (1.10) The Debenhams Challenge; Racing from Haydock (1.40, 2.10); Rugby Union (2.25) Wales v Scotland, and 4.00 France v Ireland; Athletics (4.20) European Indoor Championships; 4.40 Final Score.
5.15 *The Pink Panther Show.*
5.35 News.
5.50 Wonder Woman.
6.35 Jim'll Fix It.
7.10 All Creatures Great and Small.
8.05 The Little and Large Show.
8.40 Dallas.
9.30 News.
9.40 Match of the Day.
10.40 Parkinson with guests.
†11.40 Phil Silvers as Sergeant Bilko.

All Regions as BBC1 except as follows:

Wales—5.45 pm Sports News Wales. 6.00-6.35 Rhaglen Hywel Gwynfryn. 8.05-8.40 The Day of the Match. Special St. David's Day interviews by Vincent Kane.

Scotland—4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 9.40-10.40 Sportscene.

Northern Ireland — Between 1.55-3.30 pm (Grandstand) Rugby Union: France v Ireland; 5.05-5.15 Scoreboard. 5.45-5.50 Northern Ireland News.

England—5.45-5.50 pm (South West only) Spotlight Sport.

BBC 2

7.40 am-1.05 and 1.30-3.10 pm Open University.
3.10 Saturday Cinema: "The Lion and the Horse" starring Steven Cochran.
4.35 Chopsticks.
5.00 Mr. Smith's Indoor Garden.
5.25 Open Door.
5.55 Free to Choose.
†7.10 Gangster Movie: "Brother Orchid" starring Edward G. Robinson and Humphrey Bogart.
8.25 News and Sport.
8.40 St. David's Day Concert.
9.40 Holocaust.
12.00 News Summary.
†12.05 am Midnight Movie: "The Battle of the Sexes" starring Peter Sellers, Robert Morley and Constance Cummings.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. *10.05 Superman.* 10.30 Tiswas.
12.30 pm—World of Sport: 12.35 On the Ball; 1.00 International Sports Special (Part 1) Motor Sport—Mintex Rally; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Market Rasen; 1.45, 2.15 and 2.45 from Hereford; 3.10 International Sports Special (Part 2) Speedway, plus Weightlifting; *3.50 Half-time Soccer* Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Doctors and Nurses.
5.30 Happy Days.
6.00 Dick Turpin.
6.30 Stars in Action: "Raid On Rommel," starring Richard Burton.
8.15 The Faith Brown Chat Show.
8.45 Enemy at the Door.
9.45 News.
10.00 Tales of the Unexpected.
10.30 Saturday Night Movie: "The Creeping Flesh" starring Christopher Lee Peter Cushing.
12.05 am George Hamilton IV.
12.35 Close: Personal choice with Michael Bentine.

All IBA Regions as London except at the following times:

ANGLIA

9.40 am Tarzan. 5.15 pm Cartoon Time. *5.30 Sale of the Century.* 6.30 Saturday Film: "Operation Cobra" starring David Janssen. 10.30 Soap. 11.00 Jazz Series with Ron Mathewson. Bobby Wishart and Cathy Brewley. *11.30 Pro-Celebrity Snooker.* 12.15 am At The End of the Day.

ATV

9.10 am A Better Read. 9.35 Catch '79. 10.00 Solo One. 5.15 pm The Woody Woodpecker Show. 5.30 Mork and Mindy. 6.30 Saturday Cinema: "The 39 Steps" starring Kenneth More. 10.30 The Late Night Movie: "The Looking Glass War" starring Ralph Richardson, Anthony Hopkins and Susan George.

BORDER

9.10 am A Better Read. 9.35 Healthy Eating. *10.00 Friends of Man.* 5.15 pm Mork and Mindy. 5.45 Dick Turpin. 6.15 Saturday Night at the Movies.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.18 Mork and Mindy. 5.45 Dick Turpin. †6.15 Feature Film: "Yangste Incident." 10.30 A Better Read. †11.00 Late Night Movie: "The Spiral Staircase."

GRAMPIAN

9.30 am Sesame Street. 5.15 pm Cartoon Time followed by Area Weather Forecast. 6.30 The Saturday Western: "The Good Guys and the Bad Guys" starring Robert Mitchum. 10.30 Seachd Laithean. 10.45 Feature Film: "Playmates" starring Alan Alda. 12.05 Reflections. 12.10 am 50 Cycles.

GRANADA

9.30 am A Better Read. 9.55 Larry the Lamb. 10.05 Fangface. 5.15 pm Chips. 6.15 Dick Turpin. 6.45 Saturday Adventure: Errol Flynn in "The Master of Ballantrae." 10.30 Barney Miller. 10.55 Saturday Premiere: Christopher Lee in "Wicker Man." 12.40 am Second City Revue.

HTV

9.10 am Numbers at Work. 9.40 Divorce and After. 10.05 Beachcombers. 5.30 Happy Days. 6.30 Saturday Cinema "The Thirty-Nine Steps." 10.30 The Late Film: "Butterflies are Free."

HTV Cymru/Wales—As HTV West/ HTV General Service except. 5.30-6.00 pm O Na!

SCOTTISH

9.10 am A Better Read. 9.35 Fantasy Island. 5.15 pm Cartoon. 5.30 Mind Your Language. 6.30 How The West Was Won. 10.30 The Jazz Series—George Chisholm and His Gentlemen of Jazz with Carold Kidd, Don Lusher and Head. 11.00 Late Call. 11.05 Soap. 11.35 Luke's Kingdom.

SOUTHERN

8.45 am Talking Bikes. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Sam. 6.30 "White Fang" staring Franco Nero. 10.30 Southern News. 10.35 "Soft Beds, Hard Battles" starring Peter Sellers.

TYNE TEES

9.00 am Saturday Shake-Up. 9.05 Space 1999. 9.55 Saturday Shake-Up. 10.05 Solo One. 10.30 Saturday Shake-Up. 10.50 The Saturday Movie: "East of Sudan" starring Anthony Quayle and Sylvia Syms. 12.20 pm Saturday Shake-Up. 6.30 "The Fire Chasers" starring Keith Barron. 10.30 Love Thy Neighbour. 11.00 The New Avengers. 12.00 England Their England. 12.30 am Epilogue.

ULSTER

9.30 am A Better Read. 9.55 Larry the Lamb. 10.05 Fang Fare. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.30 Makin' It. 6.30 Feature Film: "The Great Wallendas" starring Lloyd Bridges and Britt Ekland. 9.59 Ulster Weather. 10.30 Feature Film: "Bullitt" starring Steve McQueen.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Sports Results. 5.18 Mork and Mindy. 6.45 Dick Turpin. †6.15 Feature Film: "Yangste Incident" starring Richard Todd. 10.30 Saturday Night in the West. †11.00 Late Night Movie: "The Spiral Staircase" staring Dorothy McGuire. 12.30 am Faith for Life. 12.35 West Country weather and shipping forecast.

YORKSHIRE

9.00 am Rocket Robin Hood. 9.15 The Beachcombers. 9.40 Space 1999. 5.15 pm Cartoon Time. 5.30 Happy Days. 6.30 Saturday Action Adventure: "The Great Wallendas." 10.30 The Saturday Night Film: "The Best Pair of Legs in the Business." 12.15 am Barney Miller.

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S) including 8.03 Racing Bulletin. 8.05 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm The News Huddlines. 1.30-6.00 Sport on 2: Rugby Special (1.30, 1.55, 2.25, 3.00, 4.50, 5.25) Wales v Scotland, France v Ireland; Grand Prix (1.30, 1.50, 2.30, 5.35) The South African Kyalmi Circuit; League Football (1.50, 2.20, 2.50, 3.20, 3.45, 3.55, 4.42 and at 5.00 and 5.45 classified scores; Racing from Haydock (1.40, 2.10, 4.50, 5.45); Sports Report (5.00). 6.03 Europe 80 (S). 7.02 Beat the Record. 7.30 Big Band Special (S). 8.02 A Day for David: Concert in celebration of St David's Day (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S) including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡7.55 am Weather. 8.00 News. 8.05 BBC Scottish Symphony Orchestra (S). 8.55 Clare's Country Characters. 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music (S). 11.15 Bandstand (S). 11.45 Diversions (S) 1.00 pm News. 1.05 BBC Welsh Symphony Orchestra (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. *6.35 The Classical Guitar (S)* 7.30 From the Brook to the Ocean: The story of Sandor Balassa (S). 7.40 "The Man Outside." Hungarian opera by Sandor Balassa (S). 9.15 D. H. *Lawrence 50 Years Later (discussion).* 10.00 BBC Symphony Orchestra (S). 11.05 All The Human Frame Requires. 11.20 Itzhak Perlman violin recital (S). 11.40 Tom O'Badiam's Song by Richard Rodney Bennett (S). 11.55-12.00 News. VHF only—6.00-8.00 am Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 *News.* 6.32 *Farming Today.* 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 Coping with the Cuts. 12.27 pm The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 *Wildlife.* 2.30 *Saturday-Afternoon* Theatre. 3.30 Does He Take Sugar? 4.00 News. 4.02 If This Is A Man (the story of Primo Levi). 4.30 Time for Verse. 4.40 Choirs of Wales. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Susannah York. 6.55 Stop the Week with Desmond Wilcox. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten Our Darkness. 11.15 Miles of London (S). 11.45 Signing On. 12.00 News.

TV RATINGS w/e Feb. 24

UK TOP TWENTY (viewers m)

1	Jim'll Fix It	(BBC)	18.85
2	All Creatures Great and Small	(BBC)	18.55
3	This Is Your Life	(Thames)	17.55
4	Little And Large	(BBC)	17.15
5	Coronation St. (Wed.)	(Gran.)	17.00
6	Olympic Grandstand (Tue.)	(BBC)	15.65
6	Olympic Grandstand (Fri.)	(BBC)	15.65
8	Coronation St. (Mon.)	(Gran.)	15.60
9	Wonder Woman	(BBC)	15.25
10	Crossroads (Wed.)	(ATV)	15.20
11	Chief Of Detectives	(ITV)	14.80
12	Dallas	(BBC)	14.75
13	Nine O'Clock News (Tues.)	(BBC)	14.40
14	The Jim Davidson Show	(Thames)	14.30
15	Holiday '80	(BBC)	14.05
16	Crossroads (Tues.)	(ATV)	14.00
17	Crossroads (Thur.)	(ATV)	13.90
18	Crossroads (Mon.)	(ATV)	13.75
19	George and Mildred	(Thames)	13.70
20	The Blue Knight	(BBC)	13.65

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 309

No—1 RxRP, NxR, 2 NxN, B-K2; 3 BxQB, PxB; 4 Q-R5 ch, K-Q1; 5 Q-B3 !, with the double threat QxR ch and N-B6 ch, wins for White. Other defences after NxN also leave White a strong position.

Solution to Problem No. 309

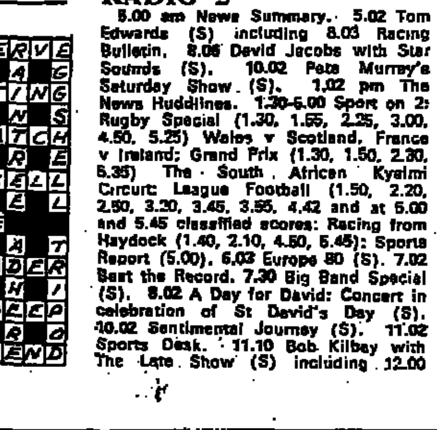
1 N-Q5 (threat 2 Q-B6). N-Q6; 2 N5xP, or if N-K5: 2 N2xP, or if QxQ: 2 N-R3, or if RxN(4); 2 Q-R4, or if KxN; 2 QxQ, or if QxN ch; 2 Q-B6.

SOLUTION AND WINNERS OF PUZZLE NO. 4,208

Mrs. J. W. Seamer, Crabbes Close, Hyde Lane, Marlborough, Wilts SN8 1JN.

Mr. N. Statham, 11 Underhill Park Road, Reigate RH2 9LU.

Mr. P. G. L. Tozer, 22 Gorsey Lane, Altrincham, Cheshire WA14 4AS.



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Tonight 7.30: The Merry Widow. 104 balcony seats avail from 10 am on day of perf

COLISEUM. Credit cards 240 5258. Reservations 836 3161. Evgs. 7.30. Mat. Sats. 2.30. LONDON FESTIVAL BALLET. March 4, 5, and 6: Dvorak Variations, Sphinx, Petrouchka. Mar. 7 to 12: La Sylphide. Mar. 13, 14: Rosalinda.

COVENT GARDEN. CC. S. 240 1066. (Gardencharge credit cards 836 6903.) THE ROYAL OPERA. Ton't Tue & Fri 7.30: Eugene Onegin. Wed 6.30: Lohengrin. THE ROYAL BALLET. Mon 7.30: Four Schumann Pieces/A Month in the Country/Elite Syncopations. Thu 7.30: La Fille mal gardee. 65 Amphi. seats avail. for all perfs. from 10 am on day of perf.

SADLER'S WELLS THEATRE. 837 3856. SADLER'S WELLS ROYAL BALLET. Last 2 perfs. Today 2.30 & 7.30: Danses concertantes/Papillon.

SADLER'S WELLS THEATRE, Rosebery Ave., EC1. 837 1672. CC. 837 3856. Evgs. 7.30. Mat. Sat. 2.30. Mar. 4 to 8. IRISH BALLET COMPANY & THE CHIEFTAINS. Playboy of the Western World.

THEATRES

ADELPHI. CC. S. 01-836 7611. Evgs. at 7.30. Sat. 4.00 and 7.45. Mats. Thursday at 3.00. LIZ ROBERTSON, PETER BAYLISS and ANNA NEAGLE in THE WORLD'S GREATEST MUSICAL MY FAIR LADY. Good seats available for most perfs. Now booking to October. Credit Card Hotline 01-836 7358. Tony Britain returns from Holiday on Tues. March 4th.

ALBERY. S. From 9 am. 836 3878. CC. 379 6565. Group Bkgs. 836 2962. Evs. 7.45. Mat. Thur. & Sat. 4.0. OLIVER GEORGE LAYTON, HELEN SHAPIRO. CHILD FREE with each ADULT valid 16 years or under at time of purchase.

ALDWYCH. S. CC. 836 6404. Info 836 5332. ROYAL SHAKESPEARE COMPANY. THE GREEKS. Today complete trilogy (sold out). RSC also at The Warehouse and at Piccadilly Theatre.

AMBASSADORS. CC. 01-836 1171. Evgs. 8.00. Fri. and Sat. 5.30 and 8.30. DINSDALE LANDEN, GWEN WATFORD, DAVID BURKE, ANGELA DOWN in BODIES by James Saunders. FINAL WEEK—ENDS MARCH 1st.

AMBASSADORS. S. CC. 01-836 1171. Opens March 3 7.00. Subs. Evgs. 8.00. Fri. Sat. 5.00 & 8.00 EMLYN WILLIAMS as Dylan THOMAS GROWING UP.

APOLLO THEATRE. CC. S. 01-437 2663. Group sales 379 6061. Evs. 8. Mat. Thur. 3. Sat. 5.30 & 8.30. TIMOTHY WEST as BEECHAM by Caryl Brahams and Ned Sherrin. Directed by Patrick Garland.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN. Monday to Thursday 8.30. Fri. and Saturday 7.00 and 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seats in London £4.00, £3.35, £1.55, plus 15p temp. members. Sat. £4.85, £3.85, £1.85.

ASTORIA. CC. S. 01-734 4291. 01-439 8031. 01-734 4369. Mon. to Thursday 8.00. Fri. and Sat. 6.10 and 8.50 IPI TOMBI. 5TH GREAT YEAR. Lowest Priced Musical in the West End. Seats: £2, £3, £4, £5. Reduced Rate Group Bookings 01-437 3856 (special offers).

BOULEVARD TH. at the Raymond Revuebar, Walkers Court, Brewer Street. CC. Tel. 01-437 2661. PAUL RAYMOND PRESENTS America's Sex Queen Live on Stage. MARILYN CHAMBERS. Must end April 5 prior to American tour. Twice Nightly Mon.-Sat. 8.0 and 10.0 pm

CAMBRIDGE. 01-836 6056. Credit cards accepted 01-836 7040. Mon. to Fri. 8.00. Thur. 3.00. Sat. 5.00 & 8.30. THE HIT BROADWAY MUSICAL. VOTED BEST MUSICAL OF THE YEAR CHICAGO. ELIZABETH SEAL, JENNY LOGAN, COLIN BENNETT, DON FELLOWS, HOPE JACKMANN, G. LYON. Reduced prices for parties. 379 6061. 836 5056. Students, Nurses, OAP standby £1.50.

COMEDY THEATRE. CC. 930 2578. Mon.-Sat. 9.00. Mats. Fri. and Sat. 6.30. THE ROCKY HORROR SHOW. Group sales. Box Office 01-379 6061.

CRITERION. 930 3216. CC. Bookings 379 6565. Group bkgs. 836 3962. Evgs. 8.00. Sats. 5.30 and 8.30. Thurs. Mat. 3.00. HALF-PRICE PERFS. Mon. Evgs. Thurs. Mat. NEIL SIMON'S LAST OF THE RED HOT LOVERS.

DUKE OF YORK'S. 836 5122. GLENDA JACKSON — ROSE. A new play by Andrew Davies. Evgs. Mon.-Sat. 8.00. Mats. Wed. 3.00. Sat. 5.00.

GARRICK CC. 01-836 4601. Evgs. 8.00. (sharp). Fri. and Sat. 5.30 and 8.30. Gareth Hunt in DEATHTRAP.

GLOBE THEATRE. S. CC. 01-437 1592. Group sales 379 6061. Evgs. 8.00. Mats. Wed. 3.00. Sat. 5.00 and 8.15. Beryl Reid, Barry Foster, Peter Bowles, Jan Waters in a new play by Peter Nichols BORN IN THE GARDENS. Directed by Clifford Williams.

GREENWICH THEATRE. S. CC. 858 7755. Evgs. 8.00. Mats. Sat. 2.30. LIBERTY HALL. A new play by Michael Frayn. From March 5 PRIVATE LIVES by Noel Coward.

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Sat. 4.30 and 8.00. Gerald Harper, Kate O'Mara in the Sherlock Holmes Mystery THE CRUCIFER OF BLOOD by Paul Giovanni. LAST WEEK. ENDS SATURDAY.

HAYMARKET THEATRE. CC. 01-930 9832. Evgs. 8.00. Mat. Wed. 2.30. Sat. 4.30 and 8.00. DOROTHY TUTIN, DONALD PLEASANCE. REFLECTIONS. A new play by John Peacock. Red. price previews. March 11 and 12. 8.00 pm. Opens March 13, 7.00.

HER MAJESTY'S THEATRE. 930 6606. Opening March 19. The award-winning Broadway Musical ON THE TWENTIETH CENTURY. Reduced price previews from March 10.

KING'S HEAD. 226 1916. Dinner 7. Show 8. CATCHPENNY TWIST by Stewart Parker.

LYRIC HAMMERSMITH. 01-741 2311. West End Box Office 836 4207. Evgs. 7.30. Thur. Mat. 2.30. Sat. 4.30 and 8.15 COUNTRY LIFE. First London showing of Goldoni's delightful comedy. Directed by David Giles. First prev. March 12. MAKE AND BREAK by Michael Frayn. With Leonard Rossiter and Prunella Scales. BOOK NOW!

LYRIC STUDIO. Evgs. 8. Sat. 8.30. Mats. Wed. and Sat. 2.30. DR. FAUSTUS. Cast includes James Aubrey & Patrick Magee.

LYRIC THEATRE. CC. 01-437 3686. Group Sales 379 6061. Evgs. 8.00. Wed. 3.00. Sat. 5.00 and 8.00. RICHARD BRIERS, PAUL EDDINGTON in MIDDLE AGED SPREAD. COMEDY OF THE YEAR. WEST END THEATRE AWARDS.

MAY FAIR. S. CC. 01-629 3036. Mon.-Thur 8.00. Fri. Sat 6.0, 8.45 SUSANNAH YORK, DANIEL MASSEY, DONALD PICKERING, FRANCES WHITE in APPEARANCES by Simon Benmussa after Henry James.

NATIONAL THEATRE. S. CC. 928 2252. OLIVIER (open stage): Today 2.45 & 7.30 AS YOU LIKE IT by Shakespeare. Mon 7.30 The Wild Duck. (Richard III most end 8 March).
LYTTELTON (proscenium stage): Today 3.00 & 7.45. Mon 7.45 WHEN WE ARE MARRIED by J. B. Priestley.
COTTESLOE (small auditorium—all tkts £3.00, student standby £1.20). Eugene O'Neill Season: Ton't & Mon 5.30 THE ICEMAN COMETH (please be punctual—lasts 5 hrs).
Excellent cheap seats from 10 am day of perf all 3 theatres. Car park. Restaurant 928 2033. Credit card bkgs 928 3052.

OLD VIC. 928 7616. Nimrod Theatre of Australia production THE CLUB by David Williamson. "Riotous mickey-take of life in Brian Cloughland Down Under." Ev. News. March 4-April 12. Evenings 7.30. Sat. Mat. 2.30.

PALACE. CC 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR. Group sales 01-379 6061. LAST SIX MONTHS.

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in RODGERS & HAMMERSTEIN'S THE KING AND I. Also starring VIRGINIA McKENNA. HOTLINE 01-437 2055. Evenings 7.30. Mats. Wed and Sat. 2.45. Some good seats available for Wednesday mats.

PHOENIX THEATRE. CC. 01-836 2294. Evgs. 8.00. Wed. 3.00. Sat. 5.00 & 8.30. SUSAN HAMPSHIRE, PATRICK MOWER. SECOND YEAR OF TOM STOPPARD'S NIGHT AND DAY. Directed by Peter Wood. BEST PLAY OF THE YEAR. Evening Standard Drama Award. LAST WEEKS. MUST END MARCH 15.

PICCADILLY. From 9.30 am. 437 4506. CC bkgs. 379 6565. Evgs. 8. Mats. Thur. & Sat. 4. Royal Shakespeare Company in Hart and Kaufman smash hit comedy ONCE IN A LIFETIME. Winner of 5 awards with from 14 March Jane Lapotaire winner of 3 awards as Piaf in Pam Gems' PIAF.

PRINCE EDWARD. CC. 01-437 6877. Evgs. 8.00. Mats. Thur. and Sat. at 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince. Group sales Box Office 379 6061.

PRINCE OF WALES THEATRE 930 8681. Credit card bookings 930 0846. An Evening with TOMMY STEELE and his Company. Evgs. Mon.-Thurs. 8.30. Fri. and Sat. 6.00 and 8.30. Book now.

QUEEN'S. S. CC. 01-734 1166. Low price prevs. 10 & 11 March 8 pm. Opens Mar. 12th 7 pm. JANE ASHER, MICHAEL GOUGH, PHYLLIS CALVERT in BEFORE THE PARTY by Rodney Ackland. Story by W. Somerset Maugham. Directed by TOM CONTI.

RAYMOND REVUEBAR. CC. 01-734 1593. At 7.00, 9.00, 11.00 pm. Opens Suns. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. New Acts. New Girls. New Thrills. 23rd sensational year. Fully air-conditioned.

ROYAL COURT. S. CC 730 1745. Evgs 8. Sat 5 & 8.30 THE LIBERTY SUIT.

ROYAL COURT THEATRE UPSTAIRS. 730 2554. Last Perf. Ton't 7.30. World Premiere THE KEY TAG by Michael McGrath.

ST. MARTIN'S. Credit Cards. 836 1443. Evs. 8.00. Tues. 2.45. Sats. 5.00 and 8.00. AGATHA CHRISTIE'S THE MOUSETRAP. WORLD'S LONGEST-EVER RUN. 26th YEAR.

SAVOY THEATRE. 01-836 8888. CC. 836 8117. (Mon.-Fri. 10-6.) LESLIE PHILLIPS, JUNE WHITFIELD, SYLVIA SYMS and ANDREW SACHS NOT NOW DARLING. Mon.-Thur 8.00. Fri. and Sat 5.45 and 8.45. Reduced price mats. on Friday. Group bookings 01-437 3856

COLLECTING

Lighting our darkness

BY JUNE FIELD

STONE AGE MAN fashioned his first lamp out of a hollowed stone into which he put fat and a moss wick. The next step was the use of shells with fish oil, with Greek and Roman excavations revealing the use of vase-shaped float-wick suspension lamps; and the Romans, reputed to have invented the candle, also used rushlights.

The first *menorah* (seven-branched candelabrum) was made by Bezaleel for the tabernacle which Moses was commanded to build after receiving the Tablets of the Law on Mount Sinai. "And he made the candlestick of pure gold": the term candlestick was a misnomer, as the apparatus used "pure olive oil beaten for the light, to cause the lamp to burn always."

Up to the late 18th century there was remarkably little change in oil lamps, and they *gave no more light than a* candle. Ami Argand's circular burner, patented in 1784, gave a much brighter light; and it wasn't until 1850 that a Scot, Dr. James Young, developed a process of refining shale oil to *produce paraffin, patenting it* for "Treating bituminous coal to obtain paraffin and oil containing paraffin therefrom."

As for gas-light, the Chinese were the first to experiment with this—they are believed to have collected natural gas from "fire wells" and to have stored it in animal bladders; to get light, holes were *pricked in the* containers so that the jets of gas that issued could be lit. Actual gas mantles date from about the 1880s.

This year the electric lighting *industry is celebrating the* centenary of the ordinary commercial filament lamp. The idea of producing light by electrically heating a filament in a glass bulb was an old one when, about 1878, several independent inventors solved the main technical problems. They had to find a suitable filament *material*, obtain an adequate vacuum, and seal the filament in the bulb without the glass cracking when it became hot. The contributions of Joseph Wilson Swan (1828-1914), in Britain, Thomas Alva Edison (1847-1931), *in America*, and other inventors, are illustrated in an exhibition in the exciting new Lighting Gallery at the Science Museum, which shows the progress of artificial lighting, from primitive oil lamps to the latest electric discharge lamps. (Open Monday to Saturday 10.00-18.00, Sunday 14.30-18.00.)

Falk, Stadelman & Co. pillar oil lamp, c. 1900, from Christopher Wray's Lighting Emporium, display "100 Years of Decorative Lighting" at the exhibition Interior Design International '80 which opens tomorrow at London's Olympia

The bewildering variety of *modern electric lights is* demonstrated by an exhibit that enables one to see (through filters), filament, fluorescent, mercury and sodium lamps working side by side, and among the demonstrations are a pair of shop windows used to illustrate some of the problems of lighting design. In one, *coloured objects are lit alter*nately by two sets of fluorescent tubes that look similar, but have very different colour rendering properties; the other setting puts over the "modelling" effects of concentrated and diffuse light sources.

For a free leaflet on the gallery call at the Information Office, Science Museum, South Kensington, SW7. Other references are *Period Lighting* by Stanley Wells (Pelham Books 1975); *Discovering Oil Lamps* by Cecil A. Meadows (Shire Publications), and *Lamps — A Collector's Guide* by James Paton (Souvenir Press 1978).

For more light on the subject Christopher Wray is putting on "*100 Years of Decorative* Lighting" at the Mobile Pavilion of Light at the Interior Design International '80 exhibition at Olympia which opens tomorrow, 12.00-18.00, Mon., Tues. and Wed. 10.30 to 18.00, until Thursday when it closes at 5.00 pm. (Send £1 to Christopher Wray's Lighting Emporium, 600-602, King's Road, London SW6, for his latest catalogue of reproduction oil lamps and fittings. Cal*lers at the shop will receive a* free £1 exhibition ticket.)

Mr. Wray is the Victorian lamp *entrepreneur* who started in the business some 14 years ago with a stall in Chelsea Antique Market as something to do when resting between acting parts. His Aladdin's treasure caves now spread along the King's Road, taking in a Tiffany shop, trade and export department, lighting emporium and a lamp workshop where you can get replacement shades, burners, wicks and galleries.

If you have a broken "chimney," *take your burner with you* to make sure that you get the correct type and size. "The most critical point about an oil lamp is the draught supply, which has to be calculated very accurately," says Christopher. "Therefore the chimney, by the size and location of the bulge and the overall height, is the *ruling factor, and there are over* 150 different types."

And when you get your chimney home the advice is to wash and dry it thoroughly, and in very cold weather warm it in the hands before fitting it to the lighted lamp. If the flame is set too high the chimney will almost certainly crack or smoke. *If you want to stop the rising* heat and smoke spoiling decorations, there is a Mica Smoke Consumer which fits on top of the chimney.

Christopher Wray's special antique section for the collector *includes old gas brackets con*verted to electricity, Victorian brass paraffin heater lamps with cranberry glass shade, originally used inside conservatories or in a metal stove for warming food (from £25 upwards according to the type of shade), elegant turn-of-the-century brass pillar lamps with pottery font and etched glass tulip shade, from £55, and period church oil lamp pendants from about £850.

Strokes of genius

GOLF

BEN WRIGHT

TOM WATSON'S thrilling and narrow victory by one stroke over the U.S. PGA Senior Champion, 50-year-old Don January, and Bob Gilder last Sunday in the Glenn Campbell Los Angeles *Open at the magnificent Riviera* Country Club was the perfect example of a winner losing just a fraction less than his rivals. If that sounds thoroughly Irish, let us examine the facts.

Gilder, who has won a not-so-small fortune since his first and only tournament victory in the 1976 Phoenix Open, led at nine under par overnight by one shot from Watson and by two from January. The rest were nowhere, since the eventually fourth-placed Don Pooley was to *finish three strokes behind* January and Gilder. The latter increased his advantage to two shots over Watson early in the final round, but, just as we expected, he yielded to the enormous pressure almost immediately. When Gilder suddenly dropped two strokes to par, Watson replied just as *swiftly with successive birdies* at the 6th, 7th and 8th holes, with puts of 12, 15, and 12 feet set up by superior iron play.

Watson, who during the tournament finally admitted that he had taken over from Jack Nicklaus as the world's leading professional—the latter *never* remotely threatened to win, and eventually finished in a tie for 16th place, seven shots behind his successor to world golf's throne—at that stage enjoyed a three strokes advantage over Gilder, with January a stroke further back. On such a renowned old golf course, it seemed to be all over bar the shouting.

But part of Watson's charm is his apparent frailty as a front runner, in that on several notable occasions, including twice *previously* at Riviera, he has flung open wide the door that only moments earlier he has slammed in the faces of his rivals. And so it was last Sunday. There was a two stroke swing at the 9th hole, when Watson dropped a shot, and minutes later Gilder registered a timely birdie there. So Wat*son turned for home for the* last time at ten under par, Gilder nine under, and January eight.

Watson had been blocking drives to the right, and pulling iron shots on occasion all week, and, when he dropped further strokes to par at the 12th and 13th, as did January, to fall back to six under, Gilder came up alongside him in the league at nine under par. Both the *leaders dropped shots at the* 15th, however, and suddenly January came back into the picture by chipping in for a birdie at the same hole, having first rolled in a sizeable putt for a two at the short 14th. The triple tie at eight under par lasted through the tricky 152 yards 16th, where the tiny, *saucer-shaped green is almost* completely surrounded by bunkers, from one of which Watson escaped superbly to save his bacon. Not one of the three leaders could grab a birdie at the 613 yards 17th, the *longest hole played on the* American circuit all year, which was playing easily. Watson, immediately in front of his rivals, muffed his chance to set up victory by missing his birdie putt from 7 feet.

The 454 yards uphill 18th at *Riviera, which swings right* round a grove of massive eucalyptus trees, has no bunkers, and still manages to be one of the most difficult finishing holes in golf. Watson hit the perfect drive, but pushed his second shot to the edge of the green, and did well on such a treacherous surface to get down in two putts, retiring to the scorer's tent to watch his rivals. His impassive face was etched *clearly in the top right-hand* corner of the television screen. Later, Watson admitted that his only thoughts then had been of the similarly tough, similarly shaped 15th hole, where the play-off would surely begin in a few minutes' time. It was not to be, however.

The veteran January gave *himself little chance by driving* too far to the right, and duly came up short some 30 yards from the hole. From an ideal position, Gilder hit an indifferent four-iron shot to the front right fringe. January chipped to 12 feet, Gilder eight *feet from the hole. But neither* read his putt correctly, and it was all over, in a sense anti*climactically, but certainly not* for Watson. He had been desperate for victory on this, one of the truly great courses of America.

Watson has won $106,525 in *his four starts this season,* having previously won in San Diego on January 27, finished *13th in the Crosby, and seventh* in Hawaii. On Sunday, by winning his eighteenth event on *the American circuit since 1971* —quite apart from his two Open Championship victories at Carnoustie in 1975 and Turnberry in 1977—Watson passed Tom Weiskopf to become the fourth leading money-winner of all time with $1,777,958. He now trails only Nicklaus, Lee Trevino and Arnold Palmer, and is only $64,000 behind the last. Watson is a good bet to overtake Palmer before both get to Augusta in six weeks' time, and don't forget that he is 10 years younger than Nicklaus and Trevino. For those who bet on coincidences, Watson also won at San Diego first time out in 1977 before taking the U.S. Masters title. I shall continue the best 18 holes of golf in the world shortly, and welcome your criticisms and suggestions.

A case of stiff downhill leg

WINTER SPORTS

ARTHUR SANDLES

THE STORY of the stiff downhill leg begins in the warmth of an Austrian bed. So, if I may indulge your patience for a while . . .

Laziness is an insidious feeling. It creeps up on you offering seductive alternatives to activity. Only a little while ago in the Vorarlberg it struck in the morning with the tempting comfort of my Alpine bed. Outside heavy rain torrented its way through thick cloud. Unseasonal warmth was turn*ing the deep village snow of* Gaschurn into a soggy grey mess. Not, I thought, a day for skiing.

But there was an appointment to keep. The man who runs the ski instructors was eager to *show off the mountain and his* teachers, and such dates are meant to be kept. By 10 am *we were shaking hands and* heading for the deep stuff. No one could say that the skiing was perfect, the snow even above 2,000 metres seemed eager to compete with treacle for texture. But from time to time the sun broke through and life did not seem that bad after all.

The next day was much brighter and cooler. The snow felt better and visibility was perfect. Now, however, I could see some of those powder runs, and this time I found myself treating them with more caution and skiing appallingly. I was having a serious attack of the stiff downhill leg.

Most skiers will know the problem. As the terrain gets steeper or more difficult so the legs start coming apart as you emerge from the turn. In the extreme the lower leg is stiff and straight while the upper is *concertina'ed up against your* chest.

In most cases this is caused simply by bad weight distribution. The skier's centre of gravity is far too far back. This tips the skis on their heels and makes steering extraordinarily difficult. To make things worse all that backward weighting makes you move faster. Suddenly you are accelerating and out of control. It is the sort of situation that ends in tears.

Bad weighting is due to two possible causes, and the simplicity of the diagnosis is not matched by any simplicity of the solution. A stiff downhill *leg indicates either just bad* habits which can be changed with good tuition and lots of practice (avoid the fools who just yell "bend zee kneez") or a fear of the mountain.

In my case it was a bit of both, the fear factor being demonstrated by the fact that hills I managed with un*hampered speed in fog suddenly* became difficult in clear light. In order to ski well it is crucial *that such obstacles are over*come. Any good skier is able to move bodyweight forward and out, in other words into the turn, automatically.

The unfortunate thing about it is that many skiers adjust to their bad weighting and simply stick to the slopes where the problem does not show. Sticking *to the blue runs,* with an occasional excursion to the reds for a taste of excitement, is no way to get the most from the price of today's skiing.

There are various ways of easing the weight problem. The basic one is, whenever the skiing is simple enough for you to concentrate, to concentrate on getting your weight onto the balls of your feet. Steer with your knees and big toes and every time you feel weight going onto your heels, give yourself a mental kick. You will do yourself no harm if you exaggerate *the forward weighting. If neces*sary try almost diving into the turn, and don't pull back as you come out of it.

Some ski instructors are urging skiers to undo their top boot buckles on gentle slopes *and practice forward weighting.* In this way you are forced to steer with the sole of your foot rather than the shin.

Once you get the weight right you will be amazed at how simple the turns become, even in deep slushy snow or that much feared alpine ice. Getting it right, however, takes *time and practice and at the* end of day there is no one who can cure the backward weighting problem but you.

Even practice, however, did not save me from the occasional ignominy in the Vorarlberg. *I have vivid recollec*tions of an instructor hearing of my affection for powder skiing and shooting off what appeared to be a sheer rock face as if he were determined to make a last minute bid for *the Austrian Olympic team.* I managed two turns in somewhat sloppy pursuit before indulging in one of my more spectacular falls.

Later, grinning, the instructor voiced his admiration for British skiers. "You know," he cried enthusiastically. "The British are the only people who *will ski in any weather.* It is amazing, you are so keen."

I left him with this fond, if misplaced, view of the British. The fact is, of course, having spent enough to afford a ski trip these days no Briton in his right *mind is going to miss one day* of what is a very expensive pastime.

Gaschurn, incidentally, has much better skiing than its image, or its prices, might suggest. It is not however, strong on night life and you do have to cope with the local bus service. Schruns and Tschagguns are *jollier places—Schruns is in fact* quite big—but Gaschurn certainly has the skiing edge. Thomson does good packages and, in a rosy faced joker called Oliver, has one of the pleasantest ski companions south *of the Arctic.*

SNOW REPORTS PAGE 7

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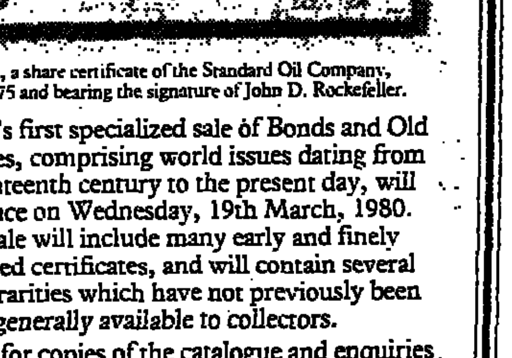

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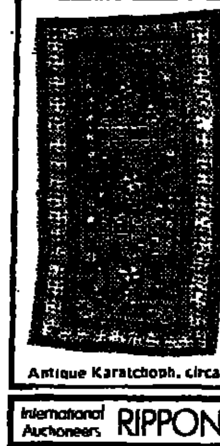

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Saturday March 1 1980

Drama, but no surprises

THE INTEREST rate saga continued to dominate the world stage this week, with central bankers in Germany and Switzerland picking up the script, as expected, at the point where their American, Japanese and French colleagues had left off last week. On Thursday Lombard rates were lifted by a point in Switzerland and by 1½ points, to 8.5 per cent, in Germany. This week's instalment of the drama was duly rounded off in America yesterday with another increase in prime rates — to 16¾ per cent.

Attrition

International investors could be excused a yawn if they found the performance so far predictable to the point of dullness. The actors have done nothing more nor less than play out the script prepared for them by the OECD in its review last December. Oil prices have sent inflation round the world bounding upwards. Current account deficits have grown in all the industrialised countries, and are likely to continue growing, except perhaps in Britain and the U.S. Jaded and demoralised by their failure to pull off a more daring performance in similar circumstances in 1974-75, governments and economic commentators everywhere have decided to embark on a war of attrition against inflation. Only when inflation is falling will they start worrying about resuming rapid economic growth.

The German moves were so well discounted by the markets that the dollar actually firmed against the Dmark after the Bundesbank's measures—though by an insignificant margin of ½ per cent. In fact most currencies, and most financial markets, have been moving nowhere since the initial reaction to the U.S. authorities' monetary squeeze. There is almost universal agreement that the adjustment in interest rates had to come and the only complaint is that it has been so long in coming.

Slowdown

Looking at the world economy as a whole, most investors would agree that inflation, rather than stagnation, is the immediate problem. The long-awaited recession is still not upon us and even when it arrives, it is unlikely to be particularly deep in comparison with the disaster of 1974-75. Most forecasters expect only a slowdown in growth, rather than a decline in real output. Meanwhile inflation is edging up everywhere—in the majority of countries towards 15 per cent or more at the wholesale level.

From the monetary point of view this outlook occasions no surprise. Last month's Bank Credit Analyst showed world monetary growth still steaming ahead at 16 per cent. Excess liquidity has been reflected, and then further exacerbated, by the boom in the price of gold. Gold reserves have eased the constraints on the trade deficits of many industrialised countries which would otherwise have had to squeeze their economies to cope with the high price of oil. Meanwhile the U.S. Federal Reserve, which bears the heaviest responsibility for allowing world liquidity to race out of control, is having extreme difficulty in forcing the creaking American monetary system into a less inflationary gear.

Thus, on the whole, the monetary tightening that has occurred so far is an encouraging sign of the world's determination not to fall into the stagflationary trap which was laid by OPEC as a result of last year's turmoil in the Middle East. There is as yet no cause for alarm about a dengerously deflationary world interest rate war.

Negative

Britain is the only major country to have experienced a real monetary squeeze so far, in the sense that money supply has been growing at a considerably slower rate than inflation since July last year. Most of the OECD countries are still showing real monetary growth. But both Germany and the U.S. are now also very near the point of experiencing negative real monetary growth. In the U.S., inflation is running at an unacceptable level and a fairly prolonged real monetary squeeze, perhaps reinforced by other anti-inflation measures, is clearly desirable; but it seems unlikely that this can rely solely on high interest rates.

In Germany, on the other hand, domestic conditions do not indicate the same need for further monetary tightening. Inflation is not expected to exceed 5 per cent this year and there are still prospects of real growth, which could absorb a small increase in money supply in a non-inflationary manner. Indeed Mr. Karl-Otto Poehl, the president of the Bundesbank, actually stated on Thursday that his decision to increase interest was made primarily in response to external factors. Naturally Germany is worried that a fall in the D-Mark would provoke further inflation

But a monetary policy aimed at the exchange rate rather than the domestic money supply, could become over-restrictive, particularly if there are fundamental trading reasons for a currency readjustment. Too much concern with exchange rate management, rather than with domestic monetary conditions could yet provoke an unnecessary intensification of interest rate competition. First and foremost, each central banker should aim to put his own house in order.

POLITICS TODAY

Mrs. Thatcher turns away from a Tory idol

BY MALCOLM RUTHERFORD

CAN Mr. Enoch Powell really become Mrs. Margaret Thatcher's Chancellor of the Exchequer, or is he condemned to offer his advice from the sidelines?

After Thursday's confidence debate in the House of Commons, there can no longer be any doubt that Mr. Powell would be a Chancellor after the Prime Minister's own heart. Sir Geoffrey Howe, the present incumbent, may be full of tough talk, especially when it comes to bashing the unions, but he has yet to deliver the goods. Mr. Powell, by contrast, has a plan.

Before going into the details, however, it is worth returning to that period of Tory Party history which is now being rewritten: the late 1950s and early 1960s. Anyone who wants a brief and enjoyable reminder of the flavour of the times could scarcely do better than to have a look at Mr. George Hutchinson's Impression of Harold Macmillan* which was published this week. It contains many of the key texts, and how contentious they were!

Apart from Suez, there are two really important skeletons in the Tory cupboard. One is the succession crisis which arose from Mr. Macmillan's retirement in 1963. The other is the resignation of Mr. Peter (now Lord) Thorneycroft as Chancellor of the Exchequer in 1958. Mr. Powell, as it happens, was involved in both affairs.

Break in line of succession

It is arguable that the party has still not fully recovered from its inability to agree on Mr. Macmillan's successor. (Mr. Powell and the late Iain Macleod, it will be remembered, refused to serve under Sir Alec Douglas-Home.) Every time there is a crisis of party confidence thoughts tend to go back to that time when the customary processes of consultation somehow failed to work. It is as though the proper laying on of hands never took place and the true succession has never been restored.

Indeed, one sometimes thinks that that is one of the factors which Mrs. Thatcher has to contend with today. It is the break in the line of succession which keeps the patricians and the paternalists apart from her. Certainly, the authority of the leader—whether Home, Heath or Thatcher—has rarely been what we were taught to believe it was in the heyday of the Old Entertainer. The battle for the restoration of authority is still being fought.

For the present, however, the crisis of 1958 is more interesting. The Thorneycroft resignation was accompanied by that of his two Ministers, Mr. Nigel Birch and Mr. Powell. The issue was public expenditure and the run-up to the Budget.

The Chancellor wanted a cut of £153m, but was overruled by the Prime Minister and the rest of the Cabinet. The resignation letter when it came was quite sharp. It contained the following sentences: "The Government itself must in my view accept the same measure of financial discipline as it seeks to impose on others. I recognise that in order to achieve my aim some combination of politically unpopular courses would have been necessary. I nevertheless regard the limitation of government expenditure as a prerequisite to the stability of the pound, the stabilisation of prices and the prestige and standing of our country in the world."

It is around that incident that the history of the Tory Party is now being rewritten. Until recently, it was customary to regard Mr. Macmillan as a great Prime Minister who showed his style by dismissing the Treasury resignations as "a *little local* difficulty." The reassessment has begun.

Some of it appears in Mr. Hutchinson's book which, although it takes a generally sympathetic view of Mr. Macmillan, tends to side with Lord Thorneycroft and Mr. Powell on the question of public expenditure. Far more important is the reinterpretation put forward by Mrs. Thatcher in her speech in the confidence debate this week. Some of the opening paragraphs amount to an almost total repudiation of the policies of Mr. Macmillan and the then Mr. R. A. Butler.

"While we were living fairly comfortably in the 1950s," Mrs. Thatcher said, "our industries were failing to modernise themselves. Not so in other industrial countries. . . . Their industries were building for the future. Too many of ours were still living off their capital and former reputation."

She went on: "During that time Britain failed to take full advantage of the great expansion of world trade and in the 1950s and 1960s we missed out on the rapid economic expansion which characterised the early years of the EEC." And again: "There was a *continuous failure* to recognise how far and how fast Britain was slipping." (My italics.)

In other words, Mrs. Thatcher is not confining herself to attacking the paternalists in her ranks; witness, for example, her *reference to the "fears of the* faint-hearted." She is also attacking the paternalists of the past. The conventional version of Tory history is being stood on its head.

Lord Thorneycroft, we know, quickly returned to Tory grace, even under Mr. Macmillan. He served in further Macmillan administrations and, as chairman of the party, became a major influence on Mrs. Thatcher. He may also be regarded as one of the first of *the Tory monetarists.*

Mr. Powell's career since the

The Chancellor resigns: Mr. Peter Thorneycroft leaving Downing Street in January, 1958, to hand in his seal of office.

resignation of 1958 has been more chequered. He returned to government while Mr. Macmillan was still there, but broke ranks with the appointment of Sir Alec as leader. He was sacked by Mr. Heath from the shadow cabinet for his remarks about immigration and subsequently progressed to the Ulster Unionists, a position which seemed to give him power only in a hung Parliament where his party could hold the balance. Yet in the confidence debate it was Mr. Powell who held the stage, and certainly Mr. Powell who seemed to have Mrs. Thatcher's ear.

What he said went broadly as follows. It would be premature to vote against a Government that had been only 10 months in office. Besides, the Government had recognised the primacy of the rate of inflation. Without achieving a degree of stability here, it would be very difficult to achieve anything else.

Yet the Government had still not been radical enough. It had acknowledged the crucial importance of the Public Sector Borrowing Requirement, but the level of borrowing was dangerously high. Mr. Powell was dismissive of the £8bn-£9bn target for the PSBR in 1980-81 now under consideration by the Treasury. Nothing approaching £9bn, he said, would do this year. Instead we ought to be aiming at a nil net borrowing requirement.

Lest this seemed a flight of fancy, Mr. Powell went on to remind the House that such a feat had been achieved 11 years ago when Mr. Roy Jenkins was at the Treasury. (Mr. Jenkins is Mrs. Thatcher's other favourite Chancellor.)

Mr. Powell then produced his plan. The Government, he said, had made its own task harder by not raising tax at the start. *It should have done so and* blamed the need for the move on its predecessor. It will be more difficult to do it now, but it may have to be done. At the same time, cuts should mean cuts: not tinkering around the margins, but the deferment of major capital projects.

There was also an emollient or soft option. The Government could bring down the borrowing requirement by selling off some of the country's reserves. Such action, he said, as he has suggested before in a speech in the City, would be no more sinful than selling off parts of the nationalised industries for the same purpose.

The whole tone of his remarks indeed was reminiscent of Lord Thorneycroft's letter of resignation. It would be full circle if Mr. Powell were to come back now where he left off in 1958. It would also provide a measure of continuity for the revisionist version of Tory history.

But, of course, that is not going to happen. One doubts whether even Mrs. Thatcher will be bold enough to accept Mr. Powell's idea of selling gold from the reserves, even though it would be a perfectly sensible way of reducing borrowing while reaffirming a belief in paper money. (The Americans, after all, used to sell gold quite frequently until they got cold feet during the last gold panic.) Still less is she going to risk resignations by bringing him into the Cabinet.

Yet if Mr. Powell remains outside, his influence at present is strong. His call for "large and massive" cuts appears to have the support of the bulk of the Parliamentary Tory Party, not *to speak of Mrs. Thatcher.* There could be no clearer example of *this than an incident during the* speech of Mr. James Callaghan, the leader of the Opposition, in the confidence debate. Did the Tories realise, Mr. Callaghan asked rhetorically, where monetarism was leading? The cuts would have to be harsher and harsher to have their desired effect. "Yes!" shouted the Tory back-benchers in approval.

There is another lesson to be learned from Mr. Powell. Readers of Hansard will look at his speech in vain for any great condemnation of the trade unions. His rationale is simply that curing inflation is in the national interest. There are no gratuitous attacks on union power or institutions that have come to be above the law. In this respect, he is a unifier and not a divider. He is also quite different from Mrs. Thatcher and Sir Geoffrey who plainly do not believe that monetarism is enough. Instead they want to go for the unions as well, and Sir Geoffrey excelled himself in his hostility to union leaders on Thursday.

National unity argument

A similar point was made by Mr. Julian Amery, another Tory has-been who never quite fitted the conventional images of the party. Mr. Amery, in fact, is a bit of a Gaullist in domestic policy; he believes in participation, industrial democracy and appeals to the nation as a whole, just as the General did. He was ready to go along with the Government, he said on Thursday, and maybe some of its proposals in the Employment Bill did not go far enough. But what had happened to the idea of trying to take the people with them?

Mr. Amery concluded that it has never been more important than it was today to try to build up national unity. And there lies the rub. Can Mrs. Thatcher do it? Plainly many of the paternalists in the Cabinet fear that she cannot, despite her acknowledged populist appeal. They are afraid that she will destroy the inheritance by going too fast. She, in turn, fears that they will destroy it by going too slowly.

Now Mrs. Thatcher has openly rounded on the Macmillan tradition, can the various strands in the party be brought *together again or can she* rebuild it in her own image? It ought surely to be possible to believe both in the control of the money supply and in one nation, but one should never underestimate the Cabinet's capacity for self-destruction.

The Prime Minister's latest move is a little bit like Mr. Krushchev's denunciation of Stalin. No doubt it was a good thing in itself and long overdue, but it did lead to some unforeseen developments.

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Letters to the Editor

Engineers

From Mr. J. Ward.

Sir, — Having followed your correspondence about the status of engineers, Mr. P. E. Harries' letter (February 26) has finally encouraged me to own up.

I graduated with a good degree in engineering in 1973 and spent three years in industry, during which time two significant factors became clear to me: prospects as a middle-management engineer were distinctly "average" in the face of our large union-dominated manufacturing companies, and my company (a large blue-chip engineering group) was run by accountants, producing figures.

Now, at the age of 28, I am a qualified chartered accountant, and I do not intend to look back. But I do love my country, and something must be wrong.

James Ward.
18, Woodview Court,
Queens Road, Weybridge,
Surrey.

Surprises

From Mr. R. Salem

Sir,—How intrigued I was to read Stuart Marshall's article (February 23) on the Porsche 924 Turbo. I quote, "surprisingly, 60 mph seems quite a reasonable speed on country roads when you can keep to it constantly, treating bends as though they were not there."

I like the word surprisingly. Some years ago, in a hurry and driving in daylight on a dry, twisting country road, I rounded a bend at about 40 mph in my Vauxhall Victor. The road was reasonably wide but, surprisingly, completely blocked. A big hay machine was stationary on my side, and a large lorry loomed fast towards me on the other. This was immediately round the bend, and I escaped only by "hurling" my car across a ditch and through a hedge into a field. At 60 mph I am sure we would have crashed. If, however, you can treat bends as though they were not there in this Porsche perhaps it has some airborne properties and lift-off mechanism to allow for this eventuality. If not, I hope Mr. Marshall does his road test alone, and well away from here.

Richard Salem.
51, Wythenshawe Road,
Sale, Cheshire.

Docklands

From the Leader,
Greater London Council

Sir,—Your editorial "Reviving the docklands" (Feb. 27), contains a great deal of good sense in particular the recognition that the full economic and hence the social potential of the area can be fully realised only by a body with commercial orientation.

It is also inarguable that even in the public sector there is a clear distinction between investment — in this case on infrastructure and on providing economic generators — and mere spending. There may well be, for example, a need for much subsidised housing in docklands, but not before (or at the expense of) jobs for its potential occupants.

The task of docklands' commercial regeneration will now rest with the planned Urban Development Corporation, and I have no quarrel with that. But in order to function it needs above all things money for the pump-priming which will undoubtedly be necessary. Promotion and marketing are not cheap, either, but the plain fact is that an investment now will be repaid manyfold financially, economically and socially: look at St. Katharine's Dock, which is a credit and an asset to both the private developers and the local authorities.

Greater London Council will retain responsibility for many of the strategic executive functions. In recognition of the task facing us here and elsewhere in inner London we have geared ourselves financially and administratively. No outside debt or future borrowing for any service other than housing; a growing capital fund, fed by repayments, the proceeds of recycled assets and, as a fall back, the rates; a staff approaching manageable proportions; and a determination to do what is necessary.

Money, manpower and mental outlook: the three ingredients for success in docklands as elsewhere. The biggest mistake the new corporation could make would be to be deflected from its purpose by the myriad pressure of groups in which docklands abounds. The biggest mistake the Government could make would be to tighten the purse strings round the corporation's throat.

(Sir) Horace Cutler.
County Hall, SE1.

Leadership

From Mr. J. Haile

Sir,—I disagree with the last sentence of the penultimate paragraph of Mr. Eric Short's article of February 27.

The drive for change does not have to come from trades unions; it should come from senior managers who ought to be made aware of any gaps in the provisions of their schemes by consultants and pensions managers.

One of the problems this country is facing has been caused by the mistaken ploy of allowing unions to ask for something and then making a defensive response. Leadership means obtaining and retaining the initiative in matters great and small. This produces the elbow-room for cost-effectiveness, timing and alternative courses of action to be proposed, discussed and understood, then agreed.

J. E. T. Haile.
Longships,
Sandown Road,
Sandwich, Kent.

Sources

From the Managing Director,
BL Components

Sir,—Having read the piece under the headline "Sounds peculiar" in your "Men and Matters" column of February 27, I thought it might be helpful to your readers to present the facts.

It is quite correct that Unipart has launched a comprehensive range of in-car entertainment products, some of which are sourced in Europe. You conveniently failed to recognise, however, that this product range is designed to meet not only the needs of our UK customers but those of our European customers and also, I think rather shamefully, failed to point out that the majority of these units which are sourced in the UK are from a company designing and manufacturing these products in the UK, albeit they might be owned by an American parent. I am dis*tressed that the item was so* superficial.

It is the policy of Unipart to source products wherever it can do so competitively in the United Kingdom, but over 30 per cent of our sales are to world-wide markets and, as we are a company trading internationally, we are not really ashamed of the fact that less than 5 per cent of our purchases are made outside the United Kingdom. We are proud of the fact, however, that 95 *per cent of the products* we buy and sell are made inside the United Kingdom.

John M. Neill
Unipart House,
Garsington Road,
Cowley, Oxford.

Limits

From Mr. A. Cooper

Sir,—Directors of small or new limited companies have enough crosses to bear without the additional burdens that your correspondent, Mr. Dudley S. Leigh suggested on February 25.

The bulk of these companies are formed by enterprising individuals of limited means. To add to their financial burden by a further £5,000 is undesirable, neither should their families face additional hardship if the business flounders. Mr. Leigh's suggestion would hardly solve the problem of the small proportion of "Mickey Mouse" companies.

With regard to the point about protecting suppliers and customers, they are free to tailor their credit or volume of work to the known liability of the company.

I write as the director of a small company formed five years ago with £1,000—an extra £5,000 at the start would have killed it.

Andrew R. Cooper,
Involvement Packing.
Overthorpe Road,
Banbury, Oxfordshire.

Efficiency

From the Director,
Mail Users' Association

Sir,—The news that the new accounting standard SSAP 16 will apply to nationalised industries (February 25) is welcome. The whole reporting system, however, of nationalised industries needs rethinking.

Most such industries are in a very special position. They are often shielded from the effects of the market place as customers are compelled to use their services as a result of extensive monopolies. Moreover, the public is, in effect, a compulsory shareholder and therefore entitled to expect a complete guide to performance.

Conventional accounts are an inadequate guide to efficiency. For fiscal reasons it is useful for the industries to make a profit; the simple achievement of profitability however is an unreliable guide to performance. Over the last three years the postal business, for example, produced its best profit figures of the decade. These coincided, however, with its lowest levels of productivity and its worst periods of quality of service. But in order to obtain this information it is necessary to have each of the reports of the past 10 years and to be aware of the pitfalls in using the data presented in the supplementary accounts. Some of the figures, such as those for quality of service, can only be interpreted by reference to further reports from the Post Office Users' National Council.

Similar considerations apply to telecommunications. It is very difficult indeed to obtain an idea of how worthwhile the *investment of over £7bn over* the past decade has been.

Accountancy bodies need to go much further than merely ensuring the nationalised industries accounts conform to the best commercial standards. Nationalised industry audits are lucrative—Post Office audit fees alone were £600,000 in 1978-79—and for this level of remuneration the public is surely entitled to have criteria drawn up which will give a comprehensive yet easily understood guide to performance.

M. E. Corby.
Tress House,
3-7, Stamford Street, SE1.

Agreement

From the Chief Press Officer,
Department of Trade.

Sir,—I read with interest Brij *Khindaria's article on the GATT* multilateral trade negotiations agreement on customs valuation (February 20). This guide—and indeed your series of articles to date on the multilateral trade negotiation agreements—provide a worthwhile source of information on the outcome of the GATT Tokyo round.

There is, however, one point which you might like to bring to your readers' attention. While it is true that the customs valuation agreement will come into force for most signatory countries on January 1, 1981, the European Community and the U.S. have agreed to implement it from July 1 this year. Thus, goods imported into the UK from all sources will be valued in accordance with the agreement from July 1, 1980.

D. J. Woods.
1 Victoria Street, SW1.

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STRAINS IN BRITISH TV AND RADIO • BY ARTHUR SANDLES

Tight money and tough competition

THE DECADE that was to have offered, and still might offer, the blossoming of technological innovation in British broadcasting is getting off to a shaky start. No sooner have the commercial television companies dropped hints that their much prized second channel may have to wait awhile, than the BBC is clipping away at its own budget and visiting what might be seen as havoc upon its domestic radio system. It is a little early to start writing obituaries, however. ITV's poverty is both promised and perceived rather than actual and current, and the BBC is a long way still from the terrors of Carey Street.

Next year the BBC's total revenue should be approaching £1bn from which it has to finance its television and radio activities within the UK. External Services are funded by a direct grant from the Foreign Office. The cuts therefore of some £130m over two years might be seen as modest when compared with those being effected in other areas of British commercial life, particularly since it is capital expenditure which is being hit hardest. The pain is being caused by the fact that the survival of television in full-blooded competition with ITV is regarded as a first essential: and therefore, in percentage terms, radio is the main field of production activity to be cut and, in particular, the emotive and expensive fields of music and drama.

Given the cuts that Mr. Ian Trethowan, the BBC's director-general, has outlined, the Corporation should be able to reduce its borrowings. It should also be able to cope with a degree of improvement in its pay levels which are still out of line with those in the commercial companies. To some extent the Trethowan letter to the employees undermines the Corporation's pay negotiating stance. Until now BBC employees have had virtual Civil Service security. With the proposed redundancies will they now feel that commercial-style insecurity should be matched by commercial-style rewards?

The BBC realises that over the next 18 months it must face competition from ITV in two fields, programming and staff recruitment. As the present ITV contractors run up to decision day on whether they are to retain their franchises, and as new consortia complete their plans for winning a slice of the television cake it is inevitable that ITV will be trying harder and that worthwhile talent within the BBC will be the subject of head-hunting. The creation of a fourth channel is an enormous threat to BBC staffing, particularly since the new service is not likely to be first interested in those employees that the BBC itself is willing to lose in redundancies. If breakfast television were introduced this particular threat would be further increased.

Opposition

Although the BBC financial cuts make an ITV breakfast service more likely (in that any contractor would know he had the field to himself) the operation is likely to be introduced in the teeth of opposition from the rest of the ITV fold.

There is a mounting campaign within ITV to kill off the breakfast television idea before it becomes too spritely a child.

Recently the companies were given a degree of ammunition for their arguments by Mr. Ray Morgan, media director of Benton and Bowles, a major advertising agency. Mr. Morgan, speaking on a London Weekend Television programme did not believe "that there will be sufficient money both to fund the existing ITV 1 channel and a breakfast time channel and a second commercial channel."

The cost of running the breakfast show is seen by many in ITV as the straw that could break this particular camel's back. You can almost feel the companies moving towards the position where they will tell the Independent Broadcasting Authority that it can have either its fourth channel or breakfast TV, but that it cannot have both.

The argument is simply that the breakfast show would draw so much advertising (£50m a year is one, perhaps optimistic, view) away from evening broadcasting that the fabric of ITV itself would be in danger. Where that £50m figure correct there would probably be a very lengthy queue of bidders indeed.

Assesment of the real immediate prospects for ITV is made more difficult at the moment by the fact that the present incumbents are eager to show to potential bidders that the expense is high and the rewards low. Thus almost every ITV voice at the moment is a financially discouraging one. When Lady Plowden, chairman of the IBA, said before Christmas that: "Money is bound to be tight, programmes will not all be able to have the budgets sought for them and the profits received by the ITV companies will be diminished for the first year or two at least," the words were greeted with cries of "hear, hear" around the industry.

Leonard Burt

Mr. Ian Trethowan, BBC Director General: controversial letter to employees.

Basic strands in the ITV company argument are a projected downturn in advertising revenue: much increased inflation: the costs of setting up the fourth channel: and increased rental payments to the IBA for franchise rights. The last mentioned have indeed come as a shock to the companies. Thames, if it retains its licence (and it is probably the least threatened) faces a rise in the amount it pays for central transmitter and other services from £3.9m to £6.2m. In percentage terms London Weekend fares even worse with a rental up by two-thirds from £2.1m to £3.6m.

On top of this the companies will have to pay their subscription to the fourth channel. Given that they retain their contracts this would mean payments of around £11m a year from companies such as Thames and Granada and more than £1m a year for a small company such as Westward. The rentals are index-linked so that given present levels of inflation they could be considerably higher.

Concern has been expressed about the impact these figures will have: not simply on profits, but on the willingness of the companies to invest in new technology. Under stress though it is, the BBC is keeping its own spending on new equipment virtually at previously planned levels. Television, like other industries, is in the midst of a technological revolution and the Corporation feels that this is not the time to get left behind in spite of the financial constraints.

The companies realise, of course, that the driving force in many consortium bids is not necessarily financial. Television may be the new Fleet Street as far the creation of new media barons are concerned. None the less there is some hope that the realities of television economic life will deter some backers and thus defuse some of the rival campaigns for franchises at least

The one indication that things may not be as bleak as the present incumbents paint them is there is no sign for the moment that any existing franchise company is going to withhold proposals for renewal of its contract. There seems every reason to think that the companies will pass through a brief financial hiccough but that life will return to a profitable norm fairly rapidly.

No-one would dare to suggest such a rosy future for the BBC which would seem to be rather more exposed to the fierce winds of life under a Government dedicated to "economic reality." A possible criticism of the Corporation is that it is determined to continue life under the old rules and pursue the rivals down every avenue that is opened. Its determination to maintain the flow of cash to television, to the detriment of national radio, is mainly due to its dedication to competition with ITV's 1 and 2 in the ratings. This is not simply competition for competition's sake. The Corporation realises that any slippage in ratings makes for a weaker base in future requests for more money. If ITV can show itself as meeting broad public demands why should the BBC get more cash?

Its eagerness to cover the nation with local radio stations is much more difficult to justify. Mr. Aubrey Singer, managing director of BBC Radio, may talk of local radio being the major growth area of broadcasting and "the way radio is going," but the fact is that commercial radio has shown itself to be better equipped financially and psychologically to deal with the new demands. It is difficult to talk of Capital Radio and the BBC's Radio London in the same breath. In times of economic stringency the willingness of the BBC to commit more funds to local radio growth, while cutting the budgets of the stations which currently exist, is a demonstration of a decision to keep pace with the rivals rather than offer something for which there is a demonstrable consumer demand.

The real longer term threat to both the BBC and ITV, however, may not be from government policies or overall national economic problems. Instead it is the prospect of dramatic changes in broadcasting technology which promises to change the economic environment for broadcasters.

Already video tape recorders are beginning to catch on with viewers, although it could not be claimed that this impact was yet sufficient to have any effect on ratings. If, as thought, the Government is about to give the go ahead for some pay-TV experiments then this could quite easily lead to an American-style pay-TV market which certainly does have an impact on U.S. ratings and could seriously change the basis of commercial company profitability in Britain.

Oddly enough the BBC is rather more enthusiastic about cable-TV than is ITV. The commercial companies see it simply as a threat. The BBC on the other hand see pay-TV as a useful buyer of old material. In some distant future you may actually have to pay to see repeats of Dr. Who.

Other threats, such as a Television Luxembourg beaming down endless Hollywood from the stars, may be further away than some suggest but it is still something which contenders for ITV contracts may have to take into account as they assess the prospects for a long term investment in this "licence to print money."

For the moment it looks as if the first major casualty of new technology and new economic constraints is old-fashioned radio. Waggoners Walk and the radio orchestras are proud symbols of a style of radio which has ceased to exist in many parts of the world. Until now the licence system has protected BBC drama and live music from the difficulties of audience-linked services. Those of us who still enjoy a radio play or a live concert may have to search harder in the ether to find them. The video tape recorder and the multi-channel television satellite might at times seem but a poor substitute. But then there are those of us who had not even realised that Waggoners Walk had replaced the Dales.

Weekend Brief

The week the eating guide vintage is complete . . . vintage cars run out of fuel . . . an element of nuclear cash

Jamboree of Guides

In theory Monday is publication day for the last of this year's crop of food and hotel guides, the Consumers Association's Good Food and Good Hotel editions. In fact, the CA 1980 works have been on the bookstalls for a couple of weeks now. Eager restaurateurs keen to see how they have fared in this year's Good Food epic, edited by the determined Christopher Driver, may have chosen to wait for the Press reviews rather than invest in a copy for themselves, however. The Guide costs £5.95 a time, enough to buy a reasonable meal with a presumptious little wine even in these straitened times.

The British Guide market is an oddity in itself. Mr. Driver, Mr. Egon Ronay and Mr. X of Michelin produce works at different as the various Yorkshire puddings you will find on English tables. Each has an assurance bordering on arrogance; each has a near contempt for the other two: and each survives on a new-found Anglo-Saxon fascination with things gastronomic.

While sworn to secrecy over content—but you can find that out by browsing through your local bookstall—I can only say that students will find Monday's Good Food work well up to standard. It is a cheeky little vintage with ideas above its station and an aftertaste of Islington. It is, nonetheless, still the best bedside reader if fantasising about food is your idea of late night entertainment. Ronay on the other hand is brisk and informative. Given five minutes to find the best place for miles to eat then Ronay is the one to reach for.

Perhaps it is old age, but Michelin's print and symbols always prove a sure formula for pre-dining migraine as far as I am concerned. For the intensive diner, however, Michelin's almost brutal brevity is clinically helpful.

Having sneaked a lunch with Mr. X a couple of weeks ago I can swear to his being human, and remarkably slim and youthful when compared with the chubby radial and distinctly middleaged fellow who decorates Michelin products. He is also British.

In appearance, of course, CA's Driver is much the most impressive. The odd thing is that the Good Food Guide's writing is very much in late-twenties Knightsbridge conversational style, with lots of italicised foreign words—"My dear, it is so chic," would not come as a surprise. Whatever Mr. Driver looks like it is not a twenties deb.

This year the CA has taken over publication of the Good Hotel Guide. This could prove a counter-attack to probably the most successful guide ploy of recent years, the introduction by Ronay of Just a Bite, a work on budget eating which has struck a financial chord and put this particular work into the best-selling lists. Ronay managed to launch his 1980 edition in the middle of this week, pre-empting the Driver launch by a few days. Has he thus managed to scoop the coverage pool, or is Fleet Street ready for another helping of Guide Reviews? See Tuesday's papers for further details.

Ronay (left) and Driver: making a meal of it

Last of the old hot autos

The 21st International Veteran and Vintage Car Rally, which opened this week in Rotorua, New Zealand is being billed as the largest international gathering of ancient autos ever held, but thanks to rapidly rising fuel costs the rally is more international in spirit than in cold hard metal. Prohibitive freight charges have meant that most Northern Hemisphere enthusiasts have been forced to leave their cars at home and rely on the generosity of local veteran and vintage owners.

There are a dozen UK enthusiasts entered in the rally, as well as several from the Horseless Carriage Club of the U.S., but they are all driving local vehicles in the hill climbs, regularity tests and gymkhanas. Only three European owners have arrived with their cars—Ron von Raffay from West Germany shipped out his 1921 Austro Daimler, Frank Smith a Manchester engineer is here at the helm of his 1903 Oldsmobile, and the inimitable Lord Montague of Beaulieu packed his precious 1912 Hispano-Suiza onto a containerised freighter for the month-long journey out there.

"It's very sad," said Montague, who is Vice President of Fiva (Federation Internationale des Voitures Anciennes), the world body under whose auspices the annual international rally is held, "but I feel that this is the last of the truly international rallies. Lots of European owners wanted to bring their cars out to New Zealand but the costs are simply prohibitive. When I came out here in 1965 it cost me £300 to bring my car out. This time I was quoted £3,000. I wouldn't have been able to come if OCL hadn't offered to subsidise my freight costs. The only possible way to keep these rallies international is to attract some kind of sponsorship. The world executive of FIVA is meeting in Paris later this month and I am going to put forward some proposals relating to sponsorship."

Montague is also going to raise the issue of age limits for international events at the FIVA meeting. "There are 1,100 cars taking part in this rally and that is far too many. The problem is that they have not restricted it to veteran (pre-December 31, 1919) and vintage (pre-December 31, 1931) cars, but have allowed in post-vintage (to 1940) and post war (up to 1954) cars as well. Now you really can't have an 1897 car (the oldest car in the rally is an 1897 Lux) entered alongside a car built in say 1953. It's crazy, they just don't mix. We are going to have to be more restrictive about international rallies in future so that they remain small enough for all the drivers to be on intimate terms."

But despite his strong feelings about the "unwieldiness" of the New Zealand event, Montague feels the 12,000-mile journey was well worth the time—and the money. "The roads in New Zealand are marvellous for veteran and vintage car rallies—they are virtually empty." But he, like his 1,109 fellow entrants has been affected by two problems peculiar to this rally. One is a regional peculiarity, the other national.

The regional problem concerns Rotorua's sulphurous atmosphere: it turns the brass headlamps on the old beauties a dull green. The rally organiser, the Vintage Car Club of New Zealand, is issuing plastic bags to be worn by the cars as protectors.

The national problem relates to New Zealand's current energy crisis, which has led the NZ Government to close all petrol stations on Saturday and Sunday—every week-end. "They've warned me to fill up the Hispano Suiza on Friday night, or I won't make it through the weekend," says Montague, who has already had two days off the road after cracking a main bearing on the 120 mile run down to Rotorua from Auckland.

New forms of hot money

The splendid lecture theatre of the Royal Institution in London's Mayfair, scene so often in the past of public announcements of new discoveries in science, last night witnessed the first step in what some see as the rehabilitation of a major discovery of science. Walter Marshall — "Jolly Wally" as his more irreverent colleagues know this burly Welsh physicist — spoke up for plutonium, the dark, heavy metal which won a Nobel prize for its finders in 1951.

There are those who profess that the very word plutonium strikes a chill in their hearts. It is one of the two basic nuclear explosives. Its image was not helped by the Flowers report on nuclear energy in 1976, with its references to "plutonium traffic," which left no one in doubt that the authors saw international trade in plutonium in the same light as they saw trade in narcotics.

Its detractors claim that the metal was named after Pluto, god of the underworld. This is not so. Its discoverers named it after the planet Pluto, beyond Uranus in the solar system, just as plutonium follows uranium in the chemists' table of elements.

But for those who are hooked on the association with Pluto the god, it is worth recalling that Pluto was also lord of all mineral wealth. Plutonium, mined from the spent fuel out of nuclear reactors, has immense potential value as a fuel for a new fuel-conserving kind of reactor, which could spin out world reserves of uranium fuel for hundreds of years or longer.

Plutonium is made by transmuting uranium. Every reactor makes some. Some reactors — Britain's Magnox reactors, for example — make quite a lot. The idea has got around that a new kind of reactor, called the fast breeder reactor, would make it prodigiously quickly, raising immense problems for those anxious to keep the number of countries with nuclear weapons to an absolute minimum.

Not so at all, says Dr. Marshall, deputy chairman of the UK Atomic Energy Authority, and one of the country's top nuclear physicists. Plutonium is also a nuclear fuel and therefore constantly being burned up in any reactor.

What, Marshall claims, must prevent the proliferation of fast reactors is simply that plutonium will be too scarce. Countries will be able to start up fast reactors only when they can muster enough plutonium to get them started. It takes a couple of tonnes to get a big one started.

But—and here is the nub of Marshall's argument — this bottleneck in plutonium supplies could be turned to advantage in controlling plutonium fuel trade. If countries making by-product plutonium in their present reactors knew that they could get a fair price for their spent fuel from the few countries with the technical resources to develop the tricky technology of fast reactors, they would have every incentive to sell rather than struggle to make their own fast reactors.

Contributors:
Arthur Sandles
Robyn Wilson
David Fishlock

Economic Diary

TODAY—Mr. Denis Healey, shadow Chancellor, speaks at Midlands area annual dinner of Association of Professional Executive Clerical and Computer Staffs (APEX), Midland Hotel, Birmingham, 6 pm. French President Valery Giscard d'Estaing in Kuwait at start of six-day official tour of Persian Gulf States. Portland cement prices up by 24 per cent.

MONDAY—House of Commons debates Companies Bill remaining stages. Two-day Financial Times conference World Motor Industry opens, Geneva. Confederation of British Industry monthly trends (February). National Food Survey report on consumption (third quarter).

TUESDAY—UK official reserves (February). Capital issues and redemptions (February). Result of Rhodesian General Election. Mr. David Howell, Secretary for Energy, opens three-day conference on Petroleum Geology of the Continental Shelf of North-West Europe, Royal Lancaster Hotel, London.

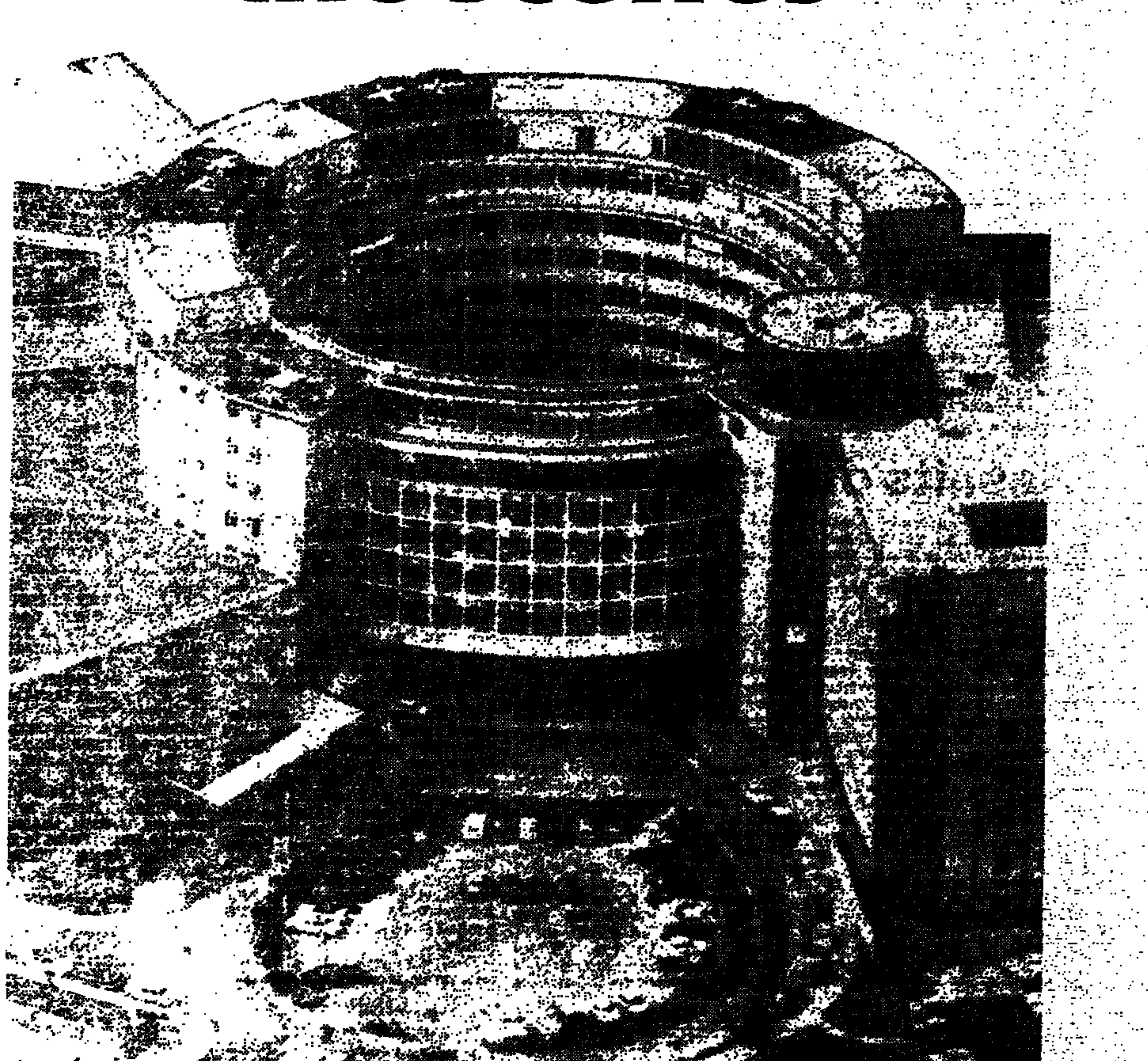
WEDNESDAY — Chancellor Helmut Schmidt of West Germany in Washington for talks with President Carter on world problems. Commons debates Opposition motion on damaging effect of Government cuts in employment and training opportunities when unemployment is rising steeply. Meeting of National Economic Development Council and the election of Mr. Gordon Richardson, Governor of the Bank of England, as a member. Sir Keith Joseph, Industry Secretary, speaks at annual dinner of Timber Trade Federation, Grosvenor House, London.

THURSDAY—UK balance of payments (fourth quarter). Provisional figures of vehicle production (February). Housing starts and completions (January). Pay talks resume at negotiation session of the Electricity Council, London.

FRIDAY—Company liquidity survey (fourth quarter). Labour Party Scottish conference opens, City Halls, Perth. Mr. William Whitelaw, Home Secretary, gives inaugural Westward Television lecture "Crime, the Public and the Media," College of St. Mark and St. John, Plymouth.

SATURDAY—Scottish Trades Union Congress demonstration against Government policies, Glasgow. Hyde Park rally involving Sheerness steel workers' wives, followed by presentation of petition at Downing Street.

The scene behind the scenes



A compelling boardroom drama is presented this Sunday.

The BBC's management board is accused of being 'the worst for many years'.

Financial pressures, internal conflicts, indecision, and lack of real leadership or organisation could mean a crisis for the Corporation.

With problems of morale and of cash – is it already in decline?

Graham Turner takes a long, hard look at the upper echelons of the BBC, and examines the real-life drama taking place inside the Corporation.

Read his special report this week in the Sunday Telegraph.

Sunday Telegraph
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Woodhouse cuts dividend as strikes take toll

LOWER PRE-TAX profits and a reduced dividend payment are reported by Woodhouse and Rixson (Holdings), forgemaster for 1979. Hit by higher interest of £355,000 against £248,000, and with the transport and engineering strikes costing some £300,000 at the trading level, taxable profits fell from £459,000 to £383,000.

The directors feel that because of the revenue lost through these industrial disputes and uncertainty due to the steel strike it would be imprudent to pay a final dividend of more than 0.52763p net. This cuts the total payment from 2.31806p to 1.73855p.

At halfway pre-tax profits were down from £320,000 to £274,000 and the directors said they expected trading activity for the rest of the year to be similar to that for the first half, though margins could be under pressure from the effects of inflation and the strength of sterling.

Mr. G. S. Baker, chairman, now states that the current level of activity is good and generally order levels are better than at any time in the last 12 months. However, shortages of some grades of steel are beginning to arise. Until the steel strike is settled it will not be possible to assess the damage caused both to Woodhouse and its customers. At this time there has been little damage, but forecasting is difficult.

Reviewing 1979 he says Woodhouse and Rixson open die forgings and rolled rings enjoyed a good level of activity, with new markets being developed. At Portway Forgings progress was maintained and output at Wicker Wire almost doubled in the 12 months.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Cardinal Inv. Tst.	2.55‡	March 28	2.14*	4.38§	3.38*
Christy Bros.	Nil	—	Nil	Nil	0.67
Epicure Hldgs. int.	0.4	April 6	0.33	—	1
Habit Precision	0.55	May 1	1.65	1.1	2.2
Squirrel Horn	1.06	April 23	0.89*	1.81	1.51*
Woodhouse and Rixson	0.53	—	1.16	1.74	2.32

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus special of 0.33p. § Corrected.

Turnover and profits of Cocker Brothers were affected by national strikes, though performance in the last quarter was satisfactory. Losses were incurred at Oldbury Trailers due to poor order levels and redundancy payments. *Order books are now better.*

Sprineline Spares is now making a profit and Woodhouse and Rixson Flanges is operating as a stockholding and trading company with access to group manufacturing facilities.

Of the cash position he states that inflation has increased borrowings, but these will decrease in 1980.

After tax of £42,000 (£91,000) net profits for the year declined from £369,000 to £341,000 and earnings per 12½p slipped from 3.6p to 3.3p.

	1979 £000	1978 £000
Turnover	14,004	13,066
Trading profit	738	707
Interest	355	248
Profit before tax	383	459
Tax	42	91
Profit after tax	341	368
Extraordinary credit	—	187
Available	341	555
Interim dividend	124	119
Final	54	118

Squirrel Horn falls to £0.38m

A SECOND-HALF slump from £243,256 to £63,436 has left taxable profits of Squirrel Horn, confectionery maker, well down at £381,333 for 1979, compared with a record £626,664. Turnover was £5.8m for the full period, against £5.44m.

At the interim stage the directors expected second-half profits to improve over those for 1978, and that the full year's surplus would be similar to the previous figure.

Yearly earnings are shown as 6.55p (9.35p) per 12½p share and the dividend is effectively increased to 1.8125p (1.5104p) net with a final payment of 1.0625p.

Pre-tax figure was struck after depreciation of £139,507 (£100,211), but was before a tax credit of £20,746 (£85,065 charge).

Net profit came out at £360,587, against £541,609.

Epicure ahead at six months

A GENERAL improvement in profit spread throughout all divisions of Epicure Holdings has lifted the pre-tax surplus to £303,000 in the six months to December 31, 1979, compared with £208,000.

The interim dividend is increased from 0.33p to 0.4p—last *year a total of 1p was paid from profits* before tax of £495,000 (£141,000). Provided current trading conditions prevail, say the directors, the total dividend for the current year will be increased accordingly.

Turnover for the six months advanced from £3.55m to £3.99m, and tax takes £125,000 (£108,000). There was an extraordinary *credit last time of £159,000.*

The group provides financial and construction industry services and operates as hoteliers.

● **comment**

Epicure's first-half results reflect a return to profitability in the hotel division, thanks to a review of prices and the increasing success of a marketing drive to attract more businessmen and *conferences. But there are also* signs that the company is coming to grips with its high level of borrowings which, at the end of last year, were on a par with shareholders' funds. Since then, the overdraft has been trimmed a *little but the planned disposal of* Lincoln Woodworking will mean that borrowings will be reduced by a further £1m by the year-end. With the sale of some properties as well, the company hopes to wipe out borrowings completely. On the trading side progress continues unabated and full-year *profits look like topping £720,000* while the dividend payment *could be 1.21p. At this level the* shares, at 20½p, are on a prospective p/e of 11.6 while the yield is 8.6 per cent—a fair rating.

Blackwood Hodge Canada up

FOR 1979 Blackwood Hodge (Canada), 75 per cent owned by Blackwood Hodge, UK earthmoving and construction equipment group, increased turnover *from C$111.3m to $129.9m* and lifted taxable profits to $5.66m, compared with $4.21m.

Net profit came out at $3.86m ($2.76m), after tax $1.8m ($1.45m), which included extraordinary credit of $617,000 for prior years' taxes.

The dividend is 50 cents (nil) *with a final payment of 30 cents,* payable on April 9.

Habit Precision slumps but widening activities

ALTHOUGH *reporting a sharp* drop in pre-tax profits from £171,000 to £2,000 for 1978-79, the directors of Habit Precision Engineering announce two acquisitions which they believe will widen the group's scope of activities and accelerate the anticipated return to profitability.

The total dividend for the year to September 30, 1979, has been cut from 2.2p to 1.1p with a 0.55p final but it is hoped to restore the full level of dividends this year.

The two companies to be acquired are Technidraft, a press tool maker and precision engineer from Slough, and Green, a manufacturer and installer of heating and vent ducting systems and emission control equipment.

The consideration for Technidraft will be £30,000 Habit *ordinary which at a value of 30p,* amounts to £36,000. Green is being acquired for £270,000 of which £70,000 is payable in cash and the balance to be settled by an issue of shares which will be placed on behalf of the vendor.

The Habit directors blame the 1978-79 result on the engineering strike and high interest rates together with a write-off arising from the withdrawal of the group involvement in the U.S. with Dessau-Habit Incorporated.

Turnover amounted to £1.53m against £1.43m. Profit is after interest of £67,000 (£21,000) and exceptional items of £12,000 (nil) *and in the previous year included* associate losses of £5,000. Stated earnings per share before extraordinary debits of £27,000 (£25,000) are 0.25p against 2.33p.

In the four months to December 31, 1979, there was a *significant improvement in turnover,* margins and profitability, the directors say. Trading continues at a quiet but satisfactory level with steps being taken to reduce borrowings and overheads.

The vendor of Technidraft is Wymanor Investments who has *guaranteed net profits of not less* than £27,500 for the year to March 31, 1980. The Technidraft accounts to March 31, 1979, show net profits of £29,584 and net tangible assets of £57,410. Wymanor intends to keep the *Habit shares being issued.*

The last accounts of Green to *August 31, 1979, show net profits* of £61,306 and £216,387 net tangible assets. Both acquisitions are subject to Habit shareholders' approval.

Cockburn Cement slump

The directors of Cockburn Cement, 85 per cent owned Australian subsidiary of Rugby Portland Cement, announce a fall *in turnover and pre-tax profits* for 1979.

Turnover was A$29.41m against A$30.1m and pre-tax surplus was *down from A$6.21m to A$4.23m.*

Mr. Maurice Jenkins, chairman, says that, as indicated at the interim stage, the construction industry did not show any *significant increase in activity in* the second half, and trading was very competitive.

"The prospects for Western Australia look better than in recent years and the company is well situated to participate in *the expected upturn," he states.*

Pre-tax figure was struck after depreciation of A$2.18m (A$2.14m), and much higher interest of A$1.32m (A$1,000).

The dividend is maintained at 7 cents per share, costing A$2.1m, with an unchanged final payment of 4.75 cents, payable May 7.

After tax of A$23,000, against A$2.7m, and an *extraordinary* credit of A$80,000—surplus from sales of assets—the balance came out higher at A$4.29m compared with A$3.51m.

Limited modifications to part of the company's new lime plant *after commissioning, took longer* than expected, the chairman says, and delayed the planned economies in the period.

No tax is payable in respect of the year's operations, because of investment allowances on the *plant, the amount for 1979 being* a prior year's adjustment.

Christy ends nine months with £119,000 loss but pick up seen

REPORTING a pre-tax loss of *£119,000 for the nine months to* December 31, 1979, compared with a profit of £74,000 for the six months to September 30, 1978, the directors of Christy Bros., milling, mechanical and electrical engineer, explain that the engineering strike and delays on contract work were behind the deficit.

The group is now trading profitably but increased expenses may be incurred in completing current contracts and this could depress results in the second half. However, order books are generally satisfactory and substantial equipment supply contracts have recently been obtained from overseas.

The directors consider that once older contracts are completed the group should expect satisfactory results to follow, providing normal trading conditions prevail.

Turnover for the nine months totalled £4.3m (£2.53m) and profits were struck after interest of £80,000 (£40,000). There is no tax charge compared with £7,000 and payment of a dividend is omitted. Last year a single interim payment of 0.67p net was made on profits of £56,000.

The group's year-end had been changed from March 31 to June 30.

● **comment**

The engineering strike may have cost Christy between £50,000 and £75,000—a seemingly small amount—but it was enough to knock the company into a loss of £119,000. Christy has a rather chequered profits record. It has, in the past, relied on a few large contracts in its animal feed machinery business and found *this a dangerous practice.* But recent board changes may mean that a new attitude is emerging. The company says that it is being much more selective in choosing contracts and is making sure that *it bites off more appropriately* sized endeavours. By concentrating on its strong hand (feed machinery) the company may make a recovery in the near to medium future. But the signs are that even with improved trading, the distance will be too far in the current year. Continued losses by the year end would be no surprise. The market dropped the price 5p yesterday to 25p and the company passed its interim dividend.

Nthn. Foods expects first half increase

A satisfactory improvement in first-half profits was expected by Northern Foods, Mr. Nicholas Horsley, chairman, told members at the company's annual meeting.

Pre-tax profits for the first six months of 1978/79 were £12.04m out of an overall record surplus of £25.5m for that year.

When reporting annual results last December, the chairman said that the inclusion of Bluebird, U.S. meat producer, should *ensure continued profit progress* for the 1979/80 first half.

Temple Bar to outpace inflation

ALTHOUGH THE present political and economic outlook suggests it would not be realistic *to anticipate in 1980 the sort of* percentage increase in earnings and dividends achieved in 1979, the directors of Temple Bar Investment Trust nevertheless aim to achieve a rate of growth greater than the rate of increase in inflation.

They intend that, in due course, the company's investments should be wholly UK listed equities selected to produce a high and steadily increasing yield while at the same time protecting capital values.

To achieve these objectives a substantial proportion of the company's assets, as the opportunity arises, are gradually being transferred into smaller and medium sized companies outside the market "leaders."

As reported on February 19, earnings of this Electra House company rose from £1.65m to £2.15m in 1979, after tax of £1.04m compared with £0.9m. The final dividend per 25p share is 4.75p, lifting the total payment by 27 per cent from 5.5p to 7p.

The AGM of the company will *be held at Electra House, Temple* Place, Victoria Embankment, on March 24, at 11.30 am.

Blocker stake boosts North Sea Assets

The directors of North Sea Assets say the company's net asset value has increased following the start of dealing in shares of Blocker Energy Corporation in the U.S., which opened at $19.

North Sea Assets owns 401,450 Blocker shares and if the $19 market price were used in place of the present valuation at cost for the holding, the net asset value would increase by 16.54p per share.

The Blocker shares were acquired in August 1979 at $7.47 per share. Net asset value of North Sea Assets as at the end of January 1980 was 135.14p per share including Blocker at cost.

THOMAS FRENCH EXPANSION POLICY

At the AGM of Thomas French and Sons, Mr. T. J. French, chairman, told members that the group planned to build on its strong balance sheet and develop each of its divisions during the 1980s. He hoped that the current year would see the company off to a good start.

T. F. BRAIME

In 1979, profits of T. F. and *J. H. Braime (Holdings) fell* from £357,937 to £316,721. Because of a transposition, the 1978 figure was given as £136,721 in Wednesday's report.

Results due next week

Analysts uniformly expect £2.6bn to £2.7bn net income at the Royal Dutch/Shell Group, when figures emerge on Thursday. Interest centres on how big 1980's downturn will be. Pessimists say net income could fall as low as £1.6bn, against a more bullish consensus of £1.95bn. The mild winter cannot but have reinforced expectations in some quarters of a coming oil glut, while Shell could find itself hard pressed by competitors benefiting from lower-priced Saudi oil. Like Unilever's, Shell's shareholders in the UK will have to suffer in maintaining international dividend parity, so the year's net total may be no more than 16.6p.

Analysts expect £622m from Unilever *when it unveils preliminary profits on Tuesday.* The Anglo-Dutch *food giant showed* £609.4m in 1978. Profits have been held back by *the strength* of sterling. At last year's rates. 1979 profits would look more like £650m. Little excitement is expected from the fourth quarter, and current year outlook is dull. Analysts say that profits will probably be static at constant exchange rates. For the longer term, there is the prospect of loss elimination at Lever Brothers in the U.S. where the management has recently been re-structured. The outlook is for a modest final lift, to perhaps 23.5p net for the year, against 21.92p in 1978.

Leading composite Royal Insurance unveils its 1979 results on Monday, following the results of the other major insurance groups, Commercial Union and General Accident, last week. Like CU and unlike GA, Royal is expected to show a substantial underwriting loss in the U.S. (estimates vary between £10m and £16m) and a useful profit in the UK of *around £6m-£10m.* But Royal's Canadian business—it is the largest company in Canada—is experiencing problems and a loss of £9m-£12m could arise, leading to a worldwide underwriting loss of around £15m against a £26m profit in 1978. Despite a buoyant investment *performance, pre-tax profits* only be £130m-£135m against £153.6m and the dividend rise could be as low as 10 per cent.

At Plessey, the nine months' figure will be revealed next *Thursday without too much* excitement. Industrial disputes *and strong sterling will have* been major problems. The outlook is for about £31m against last year's £32.9m in the same period. The American operations are reported to be doing well and recovery from the engineering strike could lead the group to a full year pre-tax profit of £48m against last year's £46.3m.

Full-year profits from Fisons, due out on Monday, are expected *to show a shortfall for the first* time in 10 years, in spite of an anticipated recovery in the second half. During 1979 the company has had a number of major problems to contend with. In January there was the UK road haulage strike followed by severe weather conditions in February and March and prolonged industrial action at the site of the main fertiliser factory in Immingham. On top of this currency movements will have affected exports in the pharmaceutical, scientific equipment and agrochemical divisions while there will be the inevitable jump in interest charges. Overall, analysts expect pre-tax profits to be in the region of £18m, against £22.9m in the previous year.

Next week's batch of results *will also include preliminary* figures from Grindlays Holdings *on Tuesday and interim figures* from Consolidated Gold Fields on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Ault and Wiborg Group	Friday	0.72	1.44	0.75
Aquis Securities	Tuesday	0.225	0.5	0.225
Blagden and Noakes Holdings	Monday	2.5	4.2†	3.0
Bridgewater Estates	Friday	4.5	10.016	4.5
British Vita	Tuesday	0.89167	1.33333	2.4
Crouch (Derek)	*Friday*	*1.2872*	*3.111*	*1.4793*
Davies and Metcalfe	Thursday	0.2456	0.4804	0.45
Ewer (George)	Monday	—	1.5	0.5
Family Investment Trust	Wednesday	1.75	2.85	2.0
Fisons	Monday	6.0	8.237	6.895
Greenfields Leisure	*Thursday*	*0.6265*	*1.30799*	*0.84*
Grindlays Holdings	Tuesday	1.0	2.071	1.0625
Hallam Sleigh and Cheston	Wednesday	0.67	0.67	—
Jacks (William)	Thursday	0.33†	0.8375	0.7
Kode International	Wednesday	1.8425	3.405	2.211
Law Debenture Corporation	Thursday	1.75	2.5	2.0
Needlers	Thursday	—	2.01	—
Phicom	Wednesday	—	—	0.45
Provident Financial Group	*Tuesday*	*1.85¶*	*3.6413†*	*2.2*
Rentokil Group	Tuesday	0.72	1.15	0.85
Royal Insurance	Monday	7.423	11.5	8.25
Sharpe (W. N.) Holdings	Thursday	1.80625	2.7202	2.6218††
Tavener Rutledge	Thursday	—	—	—
Unilever	Tuesday	8.67	13.6	9.345
INTERIM DIVIDENDS				
AAH	Wednesday	3.025	3.975	
Bertam Rubber Estates	Monday	1.5	1.5	
Clark (Matthew) Holdings	Wednesday	1.8	5.5	
Consolidated Gold Fields	Wednesday	3.5108	10.0	
Crossinars Trust	*Wednesday*	1.35	2.82	
Diploma	Tuesday	1.5	6.5	
Galliford Brindley	Thursday	1.125	3.0	
Helene of London	Tuesday	0.3353	1.0061	
Hunt and Moscrop (Middleton)	Thursday	0.3575	0.54272	
Mitchell Cotts Group	*Thursday*	*0.65825*	2.855	
Plessey	Thursday	2.662	3.645	
Scholes (George H.)	Friday	6.0	12.52	
Staffordshire Potteries Holdings	*Thursday*	1.13	3.87	
Telefusion	Friday	0.6655	0.83635	
Victor Products (Wallsend)	Monday	0.743	3.0	
INTERIM FIGURES				
Link House Publications	Tuesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Includes compensating dividend of 0.113p due to change in tax rate. ¶ Includes compensating dividend of 0.0494p due to change in tax rate. || Includes compensating dividend of 0.151p due to change in tax rate. § Includes special dividend of 0.4p. †† Includes compensating dividend of 0.128p due to change in tax rate.

BIDS AND DEALS

Henderson-Kenton agrees Harris Queensway offer

AS EXPECTED, Harris Queensway, the furniture and carpet retailer, has emerged as the bidder for Henderson-Kenton, the retail furniture group. Harris has made a cash offer worth £14.1m which has been accepted by the Henderson board.

Henderson's shares, which *have been suspended for over a* week while talks between the group were finalised, showed a rise of 97p to 215p after trading was resumed yesterday.

Harris Queensway is offering 220p in cash for each Henderson share. It is also providing a cash and share alternative. Harris is offering one of its own ordinary shares and 485p in cash *for every three ordinary shares* in Henderson-Kenton.

The cash and share alternative based on Harris's share price of 188p, up 3p, places a value of over 224p on each Henderson-Kenton share.

Henderson-Kenton operates from 69 high street and two large scale discount stores.

Henderson's accounts for the year ending March 31, 1979, disclosed profits before tax of £2.1m on turnover of around £26.5m. *Unaudited pre-tax profits for the* six months to September 30, 1979, were £437,000, compared with £607,000, on turnover of approximately £13.3m.

The book value of the consolidated net tangible assets attributable to ordinary holders shown in the last balance-sheet *was some £4.8m, before any* revaluation of properties.

Henderson said yesterday that the acquisition was in the best interests of its employees. The activities of Henderson-Kenton will benefit from the greater resources available to it as a member of a larger and highly successful group of companies with expertise in Henderson's area of activities.

If the offer becomes unconditional, Mr. David Hyman, chairman of Henderson-Kenton, will join the Harris Queensway Board.

Harris Queensway already owns 300,000 ordinary shares, *representing 4.7 per cent of the* Henderson-Kenton ordinary. It *acquired another 635,000 shares* yesterday at an average price of 219p.

The directors of Henderson-Kenton who beneficially hold 753,452 ordinary shares and other shareholders holding a total of 1,553,836 (representing 38.1 per cent of the total capital) have irrevocably undertaken to accept the offer. Harris now has control of 50.5 per cent of the total Henderson equity.

Harris Queensway is also intending to make a cash offer of 106p per £1 share to the holders of the Henderson-Kenton 10 per cent cumulative preference shares.

Reed may bid for London Poster

Reed International is thinking of bidding for the 51.8 per cent of London and Provincial Poster Group that it does not already own.

London and Provincial said last night that the two sides were holding talks which could lead to an offer from Reed. The company has thus asked for its shares to be suspended.

At the suspension price of 289p, London and Provincial, which is one of the UK's largest outdoor advertising companies, is valued in the market at just over £10m.

In the first half of 1979, the *company's pre-tax profits rose* from £1.2m to £1.85m, with higher UK earnings offsetting the downturn abroad. For the whole of the previous year, it reported a 47 per cent advance at the pre-tax level to £3.04m on *turnover of £14.2m.*

Reed's links with London and Provincial through its 48.2 per cent are purely financial, and there are no trading ties between the two companies.

half their holdings to Ferguson Investments, Mr. Ferguson Lacey's new company. This is because Mr. Ferguson Lacey wants to maintain the company's quotation and intends to place in the market any shares he receives above the 51 per cent needed to give him a controlling interest.

Bernard Wardle bid is final

The 33p a share cash bid by Mr. Graham Ferguson Lacey for *Bernard Wardle, the car upholstery group, will not be increased* under any circumstances, the offer document states.

Shareholders are also recommended to consider selling only

Maddock shareholders approve sale of U.S. side to Newman

SHAREHOLDERS of Maddock approved the sale of the group's North American interests to Newman Industries at a long and occasionally stormy general meeting yesterday.

Maddox is selling its U.S. subsidiary, *Ceramix Inc. for $3.85m* (£1.69m) to be satisfied by cash and the issue of 500,000 Newman shares. Ceramix made a consolidated pre-tax profit of $242,000 (£106,000) on sales of $15.1m in the year to June 30, 1979.

Mr. David Pearl, who has *taken over as chairman of* Maddock from his father Mr. Leonard Pearl, told shareholders that he had written a personal letter to the editor of the Sunday Times, "requiring" him to publish Mr. Pearl's reply to an article which appeared in last Sunday's issue. The article concerned the *recent court action* by Prudential Assurance against Mr. Alan Bartlett, chairman of Newman Industries, Thomas Poole and Gladstone China, now a Maddock subsidiary, and others. Maddock itself was taking independent advice on the matter, he added.

According to Mr. Pearl, the article was "grossly inaccurate and prejudicial to the shareholders of Maddock." He said that he did not propose to make any comment on last week's reserved judgment until the official transcript had been received and considered.

The judgment upheld the Prudential's claim that Mr. Bartlett and Mr. John Laughton, a former vice-chairman of Newman, had conspired in the sale to Newman of a package of assets and liabilities owned by TPG in 1975. He also *found that* they had issued a tricky and misleading circular to shareholders, and ordered damages to be paid to Newman by Mr. Bartlett, Mr. Laughton and TPG.

Mr. Robin Fuller, of solicitors Clifford Turner, *told the meeting* that, while there had as yet been no chance to examine the official transcript of the judgment Mr. Bartlett was intending to appeal against the ruling. He said that the right of a minority shareholder to bring an action could be disputed as being contrary to case law. "An appeal on that ground alone stands a reasonable chance of success," Mr. Fuller said.

Mr. Pearl announced that, following the sale of the U.S. interests, the head office of *Maddock would be moved* to Stoke in order to be close to the group's remaining trading operations. He also announced the resignation of two board members, Mr. Andrew Greystoke and Mr. Alan Taylor.

Several questions were raised at the packed meeting concerning both the purchase by Maddock of TPG and the sale to Newman of Ceramix. Mr. Pearl said that questions on the TPG purchase "should be directed to the then directors and advisers of TPG."

It was announced yesterday that Mr. R. H. Baldwin, vice-*chairman of Newman, has* assumed the post of acting chief executive in place of Mr. Bartlett, who has taken leave of absence.

IC Gas to raise dividend

IN THE offer document the directors of Imperial Continental Gas, which is making an agreed bid for CompAir, forecast a final dividend of 13p, which would make a 21p total against 18.088p, and say that results for the current year to date are *encouraging.*

The document stresses the autonomy that CompAir will be given within the group.

IC Gas points to its record with Calor Gas which it took over in 1969. IC Gas' backing for Calor, the company says, has allowed it to invest over £140m *in new assets giving it a com*pound profit growth rate of over 23 per cent per annum.

The merger with CompAir offers "similar characteristics." IC Gas says. It will complement the group's increasing investment *in oil exploration and development, which, it is hoped, will shortly include a joint venture* in oil and gas exploration in western Canada.

IC Gas is offering several alternatives to *CompAir's* shareholders: they may elect to receive cash of 55p per share plus 50p of convertible loan stock, or replace the cash with unsecured loan notes.

Grieveson Grant and W. Greenwell, the stock brokers associated with the offer, believe that the convertible would initially have a market value of par.

The new convertibles will carry interest at 8 per cent, redeemable 1995-2000, and will be convertible in September 1983 to 1993 inclusive, into £12 ordinary stock for every £100, *equal to conversion price of* 833¼p per unit.

A pro-forma statement of the combined assets of CompAir and IC Gas shows net tangible assets of £268m after the cost of the merger, including £102m of net current assets.

IC Gas' own borrowings had *risen by February 8, to £59m* against the £40m shown in the *balance sheet last March.* Cash and short-term deposits had increased to *£60.5m from £57m.*

Burns Philp chief urges acceptance

MR. JAMES BURNS, chairman of Burns Philp, the Australian trading group, urges shareholders of S. Hoffnung which also trades extensively in Australia, to accept its 80p per share cash offer for the ordinary shares and the 60p it is offering for the preference shares.

In the other document posted to shareholders yesterday he says that they must have been extremely disappointed with their investment in Hoffnung, *which has seen earnings drop 14p in 1977 to just under 4p last* year. In addition they can no longer look for a "windfall" profit in the event of Hoffnung emigrating to Australia, since the abolition of exchange controls.

Mr. Burns gives no firm *assurance about Hoffnung's future* should it merge with Burns Philp beyond saying that he believes the two businesses to be complementary. Each operation would be looked at to see if it were commercially justifiable, he says.

Burns Philp owns 3.52 per cent of Hoffnung, following purchases in the market, and has irrevocable acceptances from investment trusts managed by Murray Johnstone for a further 9.4 per cent.

The board of Hoffnung, advised *by Hill Samuel, has still to produce its formal reaction to the* bid, but has already let it be known that it considers it "wholly inadequate."

MINING NEWS

Placer's latest gold find

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Placer Development has outlined what looks to be an *open-pit gold mining proposition* in Australia. Drilling of 58 holes on the prospect at Kidston, north-eastern Queensland, has indicated about 25m tonnes of gold mineralisation.

The indicated grade is modest at 2.34 grammes gold per tonne, but the deposit appears to be amenable to relatively low cost open-pit operations. Meanwhile, further drilling is being carried out to evaluate a moderately higher grade portion of the deposit, it is stated.

Placer adds that while the drill results are encouraging, considerably more evaluation is needed to establish the prospect's economic potential.

News of another promising gold prospect in which Placer is the operator was announced earlier this week. It is at Porgera, 130 kilometres west of Mount Hagen in Papua New Guinea. So far, 35 drill holes in the Waruwari area have intersected gold and silver mineralisation in a zone, approximately 420 metres long and 250 metres wide, to a depth of 400 metres.

The average of assays of the drill cores is 2.67 grammes gold and 11.99 grammes silver. No ore reserve estimates have been attempted because of the wide-spread spacing of the holes. The limits of the mineralisation have not yet been established.

Clearly, a good deal more drilling is needed before any decisions can be taken but the prospect certainly looks encouraging. Placer is partnered here with Consolidated Gold Fields Australia and MIM Holdings.

Placer has also announced that it is increasing its quarterly dividend to 45 cents (17.2p) from 25 cents.

MORE CANADIAN PROFITS RISE

Another Canadian base-metal producer to report sharply increased 1979 earnings as a result of *higher metal prices* and exchange gains resulting from the weakness of the Canadian dollar is Noranda's 50.9 per cent-owned *Brenda* Mines.

Net profits have almost doubled to C$25.9m (£9.9m), or C$6.07 per share, from C$13.4m in 1978, despite a 23 per cent fall in output of copper and molybdenum owing to lower ore grades and tonnage milled.

Among other Canadian news, Campbell Chibougamau Mines has earned C$2.1m, or 48 cents per share, in the six months to December 31 compared with *C$427,000 in the same period of* 1978.

The company enjoyed higher metal prices, notably for gold, and also increased its copper production. Its Gwillim Lake gold mine is expected to start production in April and should provide at least 7,500 oz of gold a year.

Madeleine Mines, in which the major shareholders are McIntyre Mines and Teck Corporation, returned to production in July after a 31-month suspension owing to low copper prices. It has since earned a profit of *C$912,000 after charging C$628,000 start-up costs.*

RHODESIA RECORD

The high prices of gold and silver pushed up the value of Rhodesia's overall mineral production to a record Rh$36.9m (£23.9m) in January, Mr. M. Cawood, the Secretary for Mines announced. This is almost double the value of production in January, 1979. Mining and agriculture are Rhodesia's two main earners of foreign exchange.

KUWAITIS STEP UP GRINDLAYS' STAKE

Mass Development Company, a Kuwait trading concern, has acquired a further 1.17m shares in Grindlays Holdings, the group which has a 51 per cent stake in Grindlays Bank. The interest of Mass Development, a subsidiary of Musaad al Saleh and Sons of Kuwait, in Grindlays stands at 10.01 per cent.

The Kuwaitis have been building up a significant stake since the beginning of the year by adding to their existing holdings in a series of large purchases. They now hold 3.4m and yesterday Grindlays said "we understand that is where they will stop for the moment. They regard us as an interesting investment."

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Activity in the Bids and Deals sector was significantly reduced this week. United Dominions Trust, the finance and industrial services group, agreed in principle to sell off its Australian instalment credit subsidiary to AMEV, the Dutch insurance group. The price of the deal, which should be completed by May, will be based on the Australian company's net assets which, at the end of March last year amounted ot A$25.9m (£12.5m).

Three major deals involving leading UK engineering concerns materialised. Hawker Siddeley is making its first major U.S. purchase with a cash offer of $100m (£43.9m) for Fasco Industries, a privately-owned group which manufactures small electrical motors for a wide range of products, while GKN and Maremont Corporation of the U.S. reached agreement on the sale to GKN of 80 per cent of Maremont's Worldparts division. Terms of the latter agreement were not disclosed.

Agreement in principle has been reached for CIT-Alcatel, the French telecommunications equipment manufacturer, to buy from Vickers a substantial part of its Roneo Vickers interests for £30m cash. The activities concerned in the deal accounted for about half the £126m turnover of Roneo Vickers in 1978, and will take the latter out of the office machinery market although it will continue to sell office furniture, partitions and business forms.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Bowring (C. T.)	*159*	*136*	141	174.0	Marsh and McLennan	—
CompAir	105§§	102	95½	58.09	I. C. Gas	—
Cray Elect.	31*§	35	35††	0.93	Thrgmrtn. Tst.	—
Decca	681	635	355	49.22	Racal Electronics	—
Decca 'A'	567	535	320	65.73	Racal Electronics	—
Delson	55½	53	31††	1.39	McKechnie Bros.	—
Doloi Tea	270*	280	215	0.29	Talegold	—
Empire Plants.	24*	24	19½	0.80	Caparo Invs.	—
Furness Withy	360*	380	332	96.49	C. Y. Tung	—
Hendersn.-Kenton	224§§	215	118	14.38	Harris Queensway	—
Hoffnung (S.)	80*	87½	74½	14.10	Burns Philp	—
Morgan Edwards	126§§	125	123	4.38	Edwrds. (L C)	—
Nationwide Leisure	6*§	8½	9	0.66	Rantlodge	—
Norrington (B.)	21*	22	16††	0.80	Burgess (F H)	—
Polly Peck	9*	18	7½	0.47	Restro Inv.	—
Royco	50*	49	41	5.00	Bonnerpark	7/3
Viking Oil	‡	930	810	—	Deminex	—
Wardle (B.)	33*§	30½	28½	4.15	Ferguson Invs.	—
West of England Trust	99	100	76††	15.88	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 29/2/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‡ £3 cash plus royalties.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Austin (F.) Lytn.	Dec.	141	(302)	0.18	(0.18)
BOC	Dec.¶	12,400	(14,300)	—	(—)
BPM Holdings	Dec.	3,460	(2,580)	1.44	(1.06)
Brotherhood (P.)	Sept.	763L	(133)	—	(1.84)
Brown Brothers	Dec.	1,854	(1,722)	1.0	(0.53)
Campari	Dec.	746	(852)	1.9	(1.74)
Electronic Mchn.	Oct.	39	(33)	—	(—)
Footwear Ind.	Nov.	83	(460)	1.54	(1.54)
Jhnsn. Matthey	Dec.†	20,190	(14,450)	3.0‡	(2.6)
Movitex	Aug.	60L	(45)	—	(—)
Nolton	Oct.	110	(93)	0.6	(0.27)
Raine Engng.	Dec.	121	(127)	0.29	(0.29)
Turnbull Scott	Sept.	248L	(792)L	2.0	(4.0)
Walker (Thos.)	Dec.	67	(97)	0.17	(0.17)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † Nine months to December 1979. ‡ Already been paid. ¶ Three months to end of 1979. || Profit after provisions for rebate and tax, and transfers to inner reserves. § Profit after provisions for rebate and tax, and transfers from inner reserves. a For previous 18 months. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AC Cars	Sept.	225L	(206)	—	(5.6)	0.14	(0.6)
Alexanders Hldgs.	Sept.	796	(472)	1.1	(1.3)	—	(—)
Alln. Hrvy. & Ross	Feb.	653||	(586)§	—	(—)	21.5	(21.44)
Baynes (Charles)	Dec.	408	(396)	6.2	(5.5)	1.0	(0.75)
Braime (F & J H)	Dec.	317	(358)	13.4	(13.7)	4.5	(3.72)
Commercl. Union	Dec.	137,600	(142,200)	22.3	(21.4)	9.8	(8.79)
General Accident	Dec.	86,500	(90,100)	35.7	(36.3)	12.0	(9.04)
Hoover	Dec.	1,860	(5,300)	5.0	(30.0)	12.0	(12.0)
ICI	Dec.	560,000	(421,000)	74.7	(53.6)	23.0	(18.47)
IMI	Dec.	34,540	(32,010)	15.7	(13.9)	4.4	(3.68)
Jacks (William)	Dec.	411	(646)a	5.0	(7.3)	1.4	(1.83)a
Metalrax	Dec.	2,529	(2,108)	9.1	(6.8)	2.5	(1.23)
Mount Charlotte	Dec.	1,050	(860)	3.2	(2.6)	0.7	(0.55)
Nat. West. Bank	Dec.	441,500	(305,700)	141.8	(82.6)	17.5	(12.8)
Ransomes, Sims	Dec.	2,860	(2,570)	42.2	(39.1)	11.14	(9.87)
Rtcliffs. (G. Bdge.)	Dec.	1,580	(1,790)	19.0	(19.6)	2.5	(2.12)
Tace	Sept.	568	(558)	8.6	(6.7)	2.0	(1.5)
Vantona	Nov.	8,574	(7,311)	17.9	(17.7)	8.0	(5.75)
Ward Holdings	*Oct.*	2,340	(1,240)	25.6	(13.8)	4.2	(2.95)
Yule Catto	Oct.	3,388	(2,801)	6.5	(7.1)	2.0	(1.54)

Scrip Issues

Alexanders Holdings: One for one on ordinary and 'A' ordinary shares.
Metalrax Holdings: One for ten.
Ward Holdings: One deferred share for every two ordinary.

Offers for sale, placings and introductions

Webber Electro Components: Placing 600,000 ordinary 12.5p shares at 44p per share.

Rights Issues

AGB Research: 2.71m ordinary shares at a price of 135p each on the basis of one for four raising £3.61m.
Cluff Oil: 1,018,787 ordinary shares at a price of 330p each on the basis of one for seven raising £3.24m.
* Approximate figures before expenses.

LIMITED OFFER

One Year Income Bond

18.10% p.a. net of basic rate tax

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YOUR OPPORTUNITY to join the thousands of investors who are benefiting from the generous Income Bond yields available from Liberty Life.
GUARANTEED RETURN OF CAPITAL in full at the end of 1 year. If you should die whilst the Bond is in force, income payments will cease and your estate will receive at least the amount of your investment. If you are now under 56 and in good health, an amount of £3,637 will be paid per £1,000 invested; this amount is reduced for older ages.
MAJOR TAX ADVANTAGES. The Bond has been designed in the most tax-efficient manner under current legislation and is a combination of a single premium policy and an annual premium endowment assurance, which qualifies for premium tax relief. At the end of the year, the single premium policy matures and the guaranteed maturity value provides both the annual premium under the qualifying endowment assurance and your income payment. The endowment assurance is then surrendered to return your capital in full. The payment of the annual premium is arranged for you in the application form below. Your single investment covers the single premium policy and the first annual premium under the qualifying policy.
FOR THE HIGHER RATE TAXPAYER the Bond provides particularly attractive returns. The net return to 40% taxpayers is 16.3% p.a., to 60% taxpayers 12.7% p.a.
EARLY WITHDRAWAL. These attractive terms require investment for the full year. Should you unexpectedly need your money, however, the Company will quote a surrender value.
The rates of return assume basic rate tax at 30% and premium tax relief at the rate of 17½%. Any changes in these rates will affect the income payment. For each £1,000 investment, the qualifying endowment assurance annual premium is £608.06. Provided your total annual premiums under this and any existing qualifying life policies do not exceed £1,500 (or 1/6th of your income, whichever is greater) you will be entitled to full premium tax relief. The Bond is based on Liberty Life's understanding of current law and Inland Revenue practice and is issued subject to the current standard terms and conditions of Liberty Life. If you are not sure of your tax position or require further information or assistance, please contact your Advisors or LIBERTY LIFE on 01-440 9111.
LIMITED OFFER. To avoid disappointment you should complete the application form now and forward it with your crossed cheque in favour of LIBERTY LIFE ASSURANCE CO. LTD. Kingmaker House, Station Road, New Barnet, Herts.
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Kingmaker House, Station Road, New Barnet, Herts. EN5 1PH
APPLICATION FOR LIBERTY LIFE INCOME BOND

Name in Full (Mr/Mrs/Miss/Title)
Address:
Date of Birth:
Investment in 18.10% p.a. 1-year Bond £ (Minimum £500)
Cheque enclosed payable to LIBERTY LIFE ASSURANCE COMPANY LIMITED, and crossed.
I hereby appoint the Chief Accountant for the time being of Liberty Life, or failing him any Director of the Company, to act as my Attorney and on my behalf (1) receive from the Company the maturity value of the pure endowment hereunder, (2) pay to the Company the annual premium under the endowment assurance when it falls due, and (3) arrange for the balance, constituting the Bond income, to be paid to me at my address above.
I am now in good health YES ☐ NO ☐ If NO, details follow
I am a resident of the United Kingdom and premiums are payable by myself or my spouse.
I declare that the above statements are true and agree that this application and the declaration shall form the basis of the contract between me and Liberty Life Assurance Company Limited. I consent to the Company seeking from, and authorise the provision of medical information by, any doctor who at any time has attended me. This application shall constitute separate and distinct applications for (1) the Endowment Assurance Policy and (2) the Pure Endowment Policy(ies) comprised in the Bond.
Date: Signature of Applicant: (Life to be Assured) FT/1/3

● NEWS ANALYSIS—OFFICE EQUIPMENT

Why the French want Roneo

BY GUY DE JONQUIERES

THERE is a pungent irony in the timing of this week's decision by Roneo Vickers to sell its office machinery activities to CIT-Alcatel, the French telecommunications equipment manufacturer.

For the announcement was made only a day after a National Economic Development Council report which warned that UK industry had barely five years left to regroup its forces against international competition in the fast-growing office equipment market.

The sale underlines heavily one of the report's main themes: that serious contenders in this market must possess both advanced electronic technology and substantial financial resources to support development and marketing of new products.

Roneo Vickers had neither, and has chosen to retrench into the less exotic business of manufacturing office furniture, partitions and business forms.

Like Gestetner, its closest UK competitor, a large part of Roneo Vickers' office machinery business has been the manufacture of duplicating and copying machines.

This market has been weak recently, for two main reasons: public expenditure cuts affecting Government departments at home and overseas, traditionally major customers; and increasing popularity of plain-paper photocopiers, falling steadily in price.

Gestetner chose to meet this challenge head-on by launching its own range of plain-paper copiers, a bold commercial gamble in view of fierce competition from Xerox, the established market leader, and relative newcomers like Nashua of the U.S. and Ricoh of Japan.

Though Roneo Vickers distributes German-made photocopiers, it judged the stakes too high to justify production on its own.

The £30m CIT is paying may seem high for a business barely profitable and dependent heavily on yesterday's technology. But the French company claims that Roneo Vickers' reprographics activities were a relatively minor factor in its decision to take over Roneo's office machines operation.

It was far more interested in Roneo Vickers' other main product, mail room equipment. CIT-Alcatel is already involved in manufacture of franking machines in France. Two years ago it acquired Friden Mailing Equipment of the U.S. With the Roneo Vickers acquisition it will become Number Two in the industry after the American company Pitney Bowes.

Through Friden, CIT-Alcatel has access to some of the world's most advanced technology in mail room equipment. It plans to use this to modernise Roneo Vickers' product line and step up production at Roneo's Romford factory.

The French company sees these activities as the spearhead for its broader entry into the office equipment market, which it expects to account for a higher proportion of its sales than telecommunications equipment by the end of the next decade. CIT-Alcatel said there were four possible ways to get into the market.

"We could have done it through communications, but we faced obstacles from the national PTTs. We could have concentrated on copiers, but we would have had to compete with Xerox. Or we could have gone into electronic typewriters, but IBM is very strong in that field. So we chose to come in through the mail room."

The second attraction of Roneo Vickers was its international marketing network. It has sales and distribution employing about 1,000 in 10 countries, including the U.S., Canada, Belgium, Holland, South Africa and Australia. To build such a network from scratch would be a lengthy and expensive business.

CIT-Alcatel already has in production an electronic private automatic branch exchange (PABX), a key element in future office systems.

It is working on facsimile machines and has European marketing rights for word-processors made by AES Data of Canada. The two companies plan to collaborate on future products.

The only major gap in CIT-Alcatel's range is copiers. It will continue for now to distribute Roneo-Vickers' German-made models, but would clearly like to offer more advanced machines. It has apparently not yet decided how to do this, but has developed a technology in facsimile machines.

The company's aim is to offer different products which can either be purchased individually or linked in an integrated system.

Thomson-CSF, the other principal French telecommunications company, is trying to move in a similar direction, as are Olivetti in Italy and the Dutch Philips group.

Not surprisingly, the movement is furthest advanced in the U.S., where major companies converge on the office equipment market from many directions. Most big computer companies offer their customers word-processors. Burroughs offers facsimile machines too.

From copiers Xerox is expanding into data networks, while telecommunications companies such as American Telephone and Telegraph and General Telephone and Electronics can supply computer terminals. Wang, a leading minicomputer company, last year launched a highly advanced copier which can be linked electronically with other office equipment.

IBM, with huge marketing strength and experience in supplying both computers and office products, is clearly well-placed to exploit the new market, though still defining what its longer-term strategy should be. Exxon has entered the lists by acquiring small high-technology companies in dataprocessing and office products.

Japanese companies have so far chosen to attack individual segments of the market rather than offer integrated systems.

This may be partly due to difficulties in mastering the complex "software" needed to connect such systems together. But they are becoming an increasingly respected force in fields such as computer mainframes, copiers and semi-conductors.

Britain's showing has been somewhat disappointing. The NEDC Working Party report this week described the response by UK industry as "not wholly adequate."

"Time is not seen as being on the UK's side and the mobilisation of the country's skill and know-how resources does not appear to match that of overseas countries, e.g. the U.S., Japan and France."

GEC, arguably the British company best-placed to compete, broadened its product range last year by acquiring A. B. Dick, the U.S. office products company. It lacks at present the telecommunications expertise that will be needed in complete office systems.

ICL offers word- and text-processing products as well as computers, though it has no telecommunications experience.

Plessey has experience in this field on military communications, and has developed an advanced PABX. Through its U.S. subsidiary, Plessey Peripheral Systems, it has access to word-processing.

Arguably the most interesting UK venture into the field is Nexos, a subsidiary of the National Enterprise Board set up early last year. Endowed with an initial £15m of public funds, it aims ultimately to be a supplier of highly-advanced integrated office systems on a turnkey basis, though offering individual products.

Nexos will not manufacture its own equipment but rely on selected outside suppliers. So far it has selected an immensely powerful computer developed by Delphi, an Exxon affiliate, to form the heart of its future large office systems.

It has agreements with Ricoh of Japan for word-processors and fast printers, Muirhead of UK for facsimile equipment, and Logica, the British systems and software house.

More public support for advanced office equipment projects is advocated by the NEDO report. Its proposals, such as a Government initiative in setting up a fully-automated electronic office as a working example of new technology, are relatively modest.

They pale beside the massively ambitious scheme being implemented by the French Government.

Halifax branches will try out cash dispensers

BY TIM DICKSON

BUILDING SOCIETY customers in four Yorkshire towns will today be able to take advantage of a new service from the Halifax.

In a potentially far-reaching departure, Britain's biggest society has installed cash dispensing machines inside its Halifax, Huddersfield, and Sheffield and two Bradford branches. They are available to the public for the first time today.

The Halifax is keen to emphasise that this is a pilot operation. Time will tell if there is sufficient interest to justify installing machines in other areas. It is nonetheless believed to be the first time that a building society has strayed into territory until now considered mainly the preserve of the high street clearing banks.

Frustration

Mr. Frederick Sykes, a general manager of the Halifax, explains that the cash dispensing machines, which are all IBM 3624s, are intended to ease the frustration of customers waiting a long time to be served.

"They are not through-the-wall machines as in banks and can be operated only during opening hours," he says. He thinking is that customers who simply wish to withdraw cash are often held up by those with more complicated inquiries.

To benefit from the new service, Halifax customers will have to open a special account, which pays interest at the prevailing paid up share rate, currently 10.5 per cent net.

Account holders will then be issue instead of a passbook with a card (and their own identification number) which they must insert into the machine each time they wish to withdraw money. Withdrawals are limited to £100 a time and £200 a day.

The machines can also print out a slip with the customer's individual balance and can arrange for a full statement to be sent through the post.

Plastic card

Mr. Sykes says the idea has already been tested successfully inside the Halifax Building Society's head office. About 1,000 Halifax staff have opened accounts, and applications have been coming in fast since the scheme was announced a couple of weeks ago.

Mr. Richard Spelman, advertising manager of Halifax, claims that the technology of linking a plastic card to a computer is cheaper per cost of transaction than using pen and ink and then storing the information.

Banks, on the other hand, may be a bit more sceptical. One high street banker observed that if building societies went in for cash dispensing machines in a big way, they would suffer the expenses of this operation without providing the range of services available in a bank.

At this stage at any rate the banks do not seem to be worried. Barclays said the machines were merely replacing staff inside the branch. "They are not offering a round-the-clock service as we do."

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Loft grants cut attacked

BY GARETH GRIFFITHS

THE NATIONAL Consumer Council has attacked the Government decision to cut by half the money available for home loft insulation schemes in England.

Mr. Jeremy Mitchell, the NCC director, said yesterday in a letter to Mr. Michael Heseltine, Environment Secretary, that the cut was "a mistaken policy." The council wants more money made available for insulation, particularly in view of rising energy costs.

Preliminary results of a survey of nearly 2,000 households by the Government-appointed council last year indicated that the poorest were least likely to claim.

The scheme, introduced in 1978, allows grants of up to £50 for loft insulation. It allocated £25.4m for 1979/80 to cover 500,000 private and council houses. The NCC says the take up figure could have been improved by changes in the rules.

The council says it is anxious that the cut "should not be used as a pretext for leaving the scheme in its present less than satisfactory state."

It is estimated that less than half the £25m allocated for private sector loft insulation grants will have been taken up in 1979-80.

Imperial and Carreras to raise cigarette prices

BY LISA WOOD

IMPERIAL GROUP and Carreras Rothmans are to increase cigarette prices by 2p a packet of 20.

Carreras Rothmans, which will raise the prices of all its 29 cigarette brands from March 12, blamed the rise on increased manufacturing costs.

Rothmans' last price increase was in January, when it put 1p on the price of certain cigarette brands.

The recommended retail price of Rothmans King Size will be 69p, Dunhill King Size 68p and Craven A King Size 64p. The company's pipe tobaccos will also cost more.

Imperial will raise the prices of brands made by Wills and John Player, while pipe tobaccos, made by Ogdens, will also go up. Its last price rise was in September.

The increases reflect various rising costs that are also likely to affect other cigarette makers. Distribution costs, in particular, have risen substantially in the past few months.

Gallaher, the other of the "top three" UK cigarette manufacturers, said that it had no plans for rises although prices were constantly under review. It put up its prices of certain brands, such as Benson and Hedges cigarettes, by 3p a packet of 20, last September.

January beer output higher than in 1979

BEER PRODUCTION in January reached more than 3m bulk barrels, an increase of 10.3 per cent on the figure for the same month last year.

Figures released by the Brewers' Society yesterday showed production last month was 3,002,024 bulk barrels (1.08bn gallons) compared with 2,722,564 in January, 1979.

Consumption figures from the Customs and Excise Department are unlikely to be available until April.

The Brewers' Society said January figures always fluctuated and last year's figure had been depressed by the road haulage dispute and the poor weather.

This January's figure was boosted by a build-up after the extended Christmas and the New Year holiday and low production in December. There are indications that some stimulus was provided by the general increase in beer prices

Tenants ask to buy homes

MORE THAN 30,000 Scottish council house tenants have inquired about buying their homes, and 11,000 transactions were being considered, Mr. Malcolm Rifkind, Scottish Home Affairs Minister, told the National Housebuilding Council (Scotland).

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1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	70	Airsprung	70	−1	6.7	9.6	4.1†
50	36	Armitage and Rhodes	36	—	3.8	10.6	2.4†
236	185	Bardon Hill	235	—	13.8	5.9	6.9†
100	85	County Cars 10.7% Pf.	85	—	15.3	18.0	—
101	83	Deborah Ord.	92	+2	5.0	5.4	10.1
99	88	Frank Horsell	98	+1	7.9	8.0	6.1
129	100	Frederick Parker	108	—	12.8	11.8	4.9
156	102	George Blair	105	—	16.5	15.7	—†
68	45	Jackson Group	66	+1	5.2	7.9	3.9†
153	113	James Burrough	116	—	7.2	6.2	10.2
300	242	Robert Jenkins	253	+2	31.2	12.3	8.1†
232	175	Torday	217	−1	14.3	6.6	5.6†
34	16½	Twinlock Ord.	19½	+0½	0.8	4.3	3.7†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
66	73	Unilock Holdings	80	—	2.6	5.2	10.6
88	42	Walter Alexander	85	—	4.4	5.1	5.6
199	136	W. S. Yeates	181	−1	11.5	6.3	7.0

† Accounts prepared under provisions of SSAP 15

CORAL INDEX: Close 466-471 (unchanged)

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APPOINTMENTS

Two Guinness Peat directors

Dr. G. Rossi and Mr. R. D. Kissin have joined the Board of GUINNESS PEAT GROUP. Dr. Rossi is deputy chairman and managing director of Compagnie de l'Occident pour la Finance et l'Industrie SA (COFI) of Luxembourg, a shareholder in the group. Mr. Kissin, who has been with the group since 1972, is a director of Lewis and Peat and certain other commodity member companies.

*

Mr. J. H. Moore has retired as deputy managing director of ROBERTS ADLARD AND CO. but will continue as a non-executive director of the company.

*

Mr. J. F. Holmes has been appointed chairman of INCHCAPE (HONG KONG) from April 1 in succession to Mr. P. G. Williams, who retires at the end of this month. Mr. Williams will be resigning as a director of Inchcape (Hong Kong) and from the Board of Dodwell and Co. but will continue as a non-executive director of Inchcape Far East, Inchcape Enterprises and Dodwell, Hong Kong. Mr. L. A. Radborne is appointed vice chairman of Dodwell and Co. He is based in Tokyo where he is the chief executive and representative director.

*

Mr. M. C. Davies and Mr. C. R. Roberts have been appointed to the Board of GARTMORE FUND MANAGERS.

*

Mr. Jerry Waters has resigned as a director of LETRASET INTERNATIONAL for personal reasons.

*

Mr. P. C. Harding, Mr. B. E. Beagley, Mr. M. R. Baxter and Mr. T. P. Houghton have been appointed directors of A. L. STURGE (HOLDINGS). Mr. K. J. Leonard and Mr. R. S. Meale have been made directors of A. L. Sturge (Syndicates Management).

*

Mr. James Miller and Mr. Harold E. Smith have been appointed directors of the SABAH TIMBER COMPANY (a member of the Harrisons and Crosfield Group). They retain their Board and managerial positions with subsidiaries of Sabah Timber.

*

Mr. Leslie Howard a founding partner of ASTAIRE AND CO., stockbrokers, will be retiring on March 24. He will remain a shareholder and will be associated with the company as a consultant. Mr. M. J. Hedley and Mr. D. J. Ferdinand have been appointed directors from March 31. Both have been with the company for a number of years.

*

Mr. Geoffrey Meadowcroft has been appointed a director of the RACAL DATA COMMUNICATIONS GROUP.

*

Mr. Brian J. Wootton has been appointed surveyor to HILL SAMUEL INVESTMENT MANAGEMENT.

*

Mr. Martin Kinney, formerly a director of UDT International, has been appointed finance director of HASTAND.

BANKRUPT

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WORLD STOCK MARKETS

NEW YORK

Early 3.5 rise on Wall St.

STOCKS MOVED higher in active trading on Wall Street yesterday, despite another Prime Rate rise. Bargain hunters were buying recently depressed issues.

By 1 pm the Dow Jones Industrial Average was up 3.50 to 857.94, reducing its loss on the week to 10.83. The NYSE All Common Index, at $64.55, was up 28 cents on the day but still down $1.25 on the week. Advances led declines by an eight-to-five majority, while the trading volume was 26.07m (28.74m) shares. Many investors were keeping to the sidelines awaiting possible new Administration moves to check inflation.

The SM rise came despite a further increase in the Prime Rate as several major banks moved to 16¾ per cent. The Industry Rate had been split between 16½ and 16¾ per cent.

The Commerce Department reported January Leading Indicators fell 0.7 per cent after a revised 0.2 per cent December fall.

Some Oils rose, Atlantic Richfield gained $¾ to $98¼, Sun $1½ to $81½ and Phillips Petroleum $¾ to $53¾.

Pennzoil put on $¾ to $53½ — its Netherlands subsidiary declined to comment on reports it made a big oil find in the Dutch North Sea.

Active Storage Technology advanced $⅛ to $19½ — earlier in the week it forecast higher year net earnings. American Telephone recovered $⅜ to $47⅞ — Thursday American Telephone announced settlement of a Civil Suit brought by International *Telephone, up $¼ to $26½.*

NLT gained $1¼ to $25⅛ — a block of 132,200 shares traded at $24⅞.

U.S. Steel eased $¼ to $19 — a Federal Judge ordered U.S. Steel *to temporarily halt plans to close* a Youngstown, Ohio, plant pending a hearing on a Steelworkers Union motion.

Closing prices for North America were not available for this edition.

THE AMERICAN S.E. Market Value prices were also higher. *Index rose 2.88 to 302.77, making* a rise of 6.18 on the week.

Husky Oil jumped $8¼ to $84¼ — *it plans a seven-for-one stock* split. **Sundance Oil** gained $1 to $9½ after surging $8¾ Thursday — it will seek a merger or the sale of assets to provide cash needed to develop its Canadian properties.

Blount advanced $4¾ to $38¼ — it may be awarded a Riyadh University contract from the Saudi Government.

Canada

Markets continued to advance *in active noon trading yesterday,* when the Toronto Composite Index rose 10.4 to 2,188.0.

The Metals and Minerals Index moved up 23.7 to 2,408.5, Oil and Gas 37.9 to 5,105.0, Golds 14.6 to 3,514.5, Papers 2.14 to 205.85 and Banks 0.18 to 318.80. Only Utilities, off 2.09 to 264.28, moved against the general trend.

Inco rose $¼ to $36¼ and Falconbridge $11 to 161 — each announced nickel price increases.

Germany

Prices were steady to higher in what brokers called normal month-end trading.

Energy shares rose, with selected rises among other sectors, including Motors, Stores and Chemicals.

Brokers said markets steadied despite some profit-taking.

A boost in Deutsche Bundesbank's Discount and Lombard Rates steadied most Domestic Bond prices and firmed some, *which market sources said* helped the Stock Market.

In Stores, Horten gained DM 2 to 134—it said it had acquired the Peter Hahn Group of specialty fashion stores, but brokers couldn't say if that affected trading in the Department store's shares.

Energy shares rose, with Preussag up DM 7 to 204.5.

Other sharp gainers were Brown Boveri, up DM 5.5, and Heavy Construction contractor **Holzmann**, up DM 5.

Banks gained up to DM 1, *despite Bundesbank's* tightening of the interest rates at which banks can borrow from the *Central Bank.*

Domestic Bonds steadied or firmed, with Bundesbank selling *DM 53.1m* of *Public* Bonds to take advantage of the uptrend.

Tokyo

Prices rebounded with buying pressure mounting for Coals and other Energy stocks *like Oils and* Trading Houses.

Although profit-taking centred on some recent *front-running* stocks such as Shipbuildings and Steels, strong buying pressure overwhelmed *selling. Volume* 640m (500m) shares.

Textiles, Paper-Pulps and *Chemicals* were firm, *supported* by speculative buying from investors who are hoping *for a* further price *increase in a new* month.

Some Machine Tools, Ship*pings, and* Real Estates also moved higher. "High-priced" Electricals like Kyoto Ceramic, up Y90 at Y3,720, also gained ground, together with Pharmaceuticals.

Recent gainers like Constructions and Defence Industry-related stocks eased, facing selling pressure from investors who apparently turned sellers to take profits before the weekend.

Foods, Electricals and Motors were *sold.*

Australia

Disregarding bad news and unsound fundamentals, overseas traders and locals were buyers *and markets finished* the week with a flourish.

The interest rates spiral was given another nudge over the last 24 hours with several EEC countries increasing their Base Rates. On the home front companies' results, especially those from the NSW Coal Miners and from the Retailers, should have given the traders cause for caution. But it seems that there is any amount of money looking *for a home.*

Resource stocks were ahead across-the-board, the only exceptions being the Rundle Shales which eased with some of the speculative element out of the stocks now that Esso Ex. has been named as successful tenderer.

In Diamonds, Leichardt fell on profit-taking.

Markets were looking hard for stocks to take the places of Central Pacific and Southern. CSR does not fit the bill although it does have a very interesting share prospect at Julia Creek. CSR has too many other irons in the fire and too many shares on issue to be a runner in the style of the Rundle twins.

BHP were good, with dealers encouraged by the hydrocarbon show in the Vinck well.

Oils were stronger, paced by Woodside with markets now happy about the share issue terms.

Banks improved, and there were winners in Real Estates despite the higher cost of money.

The disappointing earnings reports from G. J. Coles and Woolworths were disregarded and each edged higher.

Brussels

Belgian shares were mixed in quiet trading.

Societe Generale de Banque *showed little movement after* announcing higher profits, while Cockerill also were little changed *after lower losses.*

In Foreign stocks, UK, Dutch and French were lower, Germans and U.S. little changed, Canadians higher. Gold Mines were higher.

Johannesburg

Gold shares closed firmer in line with the higher international bullion price.

Rises of between R1 and R2½ featured among Heavyweights, with up to 50 cents on Medium to Lightweights.

Mining Financials followed Producers. Platinums and Coppers were firmer. Collieries *and Industrials also firmed.*

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

JAPAN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights.

Spanish prices Page 18

Record profit at Matsushita Electric

BY RICHARD C. HANSON IN TOKYO

MATSUSHITA ELECTRIC Industrial Company, Japan's largest electronic and home appliances company, reported another good perormance last year. Consolidated net profit rose by 10 per cent to a record Y98.3bn ($400m) and sales in the fiscal year to November 20 reached Y2,363bn ($9.5bn), also a gain of 10 per cent.

The fourth quarter also proved to be the best on record. Quarterly net profit was up 16 per cent to Y28.1bn (the best gain of the year) on a sales increase of 14 per cent to Y652bn.

Sales of all of the company's major product divisions rose steadily, with the largest of the sectors, consumer electronics, up 9 per cent to slightly more than Y1,000bn. These sales were boosted by the introduction a new six-hour home video tape recorder and a surge in television sales particularly in higher priced sets, incorporating stereo and multi-band receiver systems.

The company's exports of video tape recorders were strong but overall exports were hampered by poorer international market conditions. They gained only 5 per cent to Y606.7bn. Matsushita, along with other Japanese electronics companies, seem, however to be succeeding handsomely in strategies calling for expanded overseas production.

Last year, the value of overseas manufacturing rose by 30.5 per cent to Y257bn, with the largest manufacturing base in America, followed by Taiwan and Singapore. The company is *planning to double its investment* in Singapore over the next three years. The television *plant in South Wales also seems* to be doing well, with exports to the continent and elsewhere having started last year.

Matsushita's profits were depressed somewhat by a large loss suffered when the yen soared to record highs during the first half of the year. The initial loss totalled Y33bn, but was cut to Y2.9bn by efforts to reduce costs.

This year Matsushita is projecting that its consolidated net profit will rise to Y110bn (a 12 per cent gain), with sales of Y2,600bn (up 10 per cent). The most promising product areas continue to be colour televisions and home video products.

By the start of next year, Matsushita (using a system developed by its subsidiary, Victor Company of Japan) should be ready to introduce commercially its home video disc system.

Belgian bank to increase dividend

By Giles Merritt in Brussels

SOCIETE GENERALE de Banque, Belgium's largest bank and the banking arm of the giant Société *Générale* de Belgique holding group, has declared a 14.5 per cent increase in its balance sheet total for 1979.

For the 12 months ended December 31 last year, Société Générale de Banque's balance sheet stood at BFr 856.5bn ($30bn), against BFr 748bn at the end of 1978. Net profit rose by 11.1 per cent over the 1978 level to reach BFr 1.99bn ($69.6m).

At its annual general meeting on April 22, the bank is to recommend a net dividend of BFr 225 per share on its 5.55m shares. Last year it declared a dividend of BFr 220 *on just over 5m* shares, and the number of outstanding shares has since *been boosted by 290,000 by* the conversion of its 1979 convertible loan and by 260,000 from its May 1979 one-for-20 bonus issue.

The increase in the bank's balance sheet falls short of the 15.2 per cent rise recorded at the end of 1978 over the previous year, but compares well with the 1977 increase of just over 11 per cent. Gross cash flow improved only slightly by 3.32 per cent to BFr 5.48m. *In 1978 the increase was* 21.3 per cent, although in 1977 cash flow in fact diminished by 1.3 per cent.

Chicago Mercantile wants market in share futures

BY DAVID LASCELLES IN NEW YORK

THE CHICAGO Mercantile Exchange yesterday became the latest major U.S. commodity exchange to put forward plans for futures contracts based on share prices. If approved, these contracts could be used as a hedge against unfavourable movements in the stock market.

The Mercantile's contract would be based on the Standard and Poor's *index of 500 stocks,* one of the broadest and most widely followed stock indices.

A single contract would be worth 500 times the level of the index. Thus, at Thursday's closing level of 112.35, the contract would be worth $56,175. The minimum movement in the contract would be $25, equivalent to a 0.05 point change in the index. The maximum would be $1,500 a day, or a three point movement. Delivery under the contract would take the form of cash.

Earlier this week, the Chicago Board of Trade, the largest *commodity exchange in the U.S.,* proposed a similar plan based, however, on 10 specialised *share portfolios* reflecting industrial sectors. An eleventh contract would be a composite contract. The Board believes that its plan offers more flexibility to investors than a broad-based index.

The third proposal, put forward by the Kansas City Board of Trade, is *for a* contract based on the value line index.

Approval of all these proposals is expected to take a long time, partly because of their newness, partly because it is not clear which agency in Washington should regulate them.

Wall Street itself is taking a cautious view until some more positive indication comes out of Washington that these plans stand a serious chance of moving ahead.

GM-Holden's move back into the black

By James Forth in Sydney

AUSTRALIA'S largest motor vehicle manufacturer, General Motors-Holden's, an offshoot of General Motors *of the* U.S., returned to the black in 1979 with a profit of A$4.6m *(US$5.1m). This comes after* two years of losses—$A8.4m in 1978 and a similar amount in 1977.

The directors were cautious about results for the current year, and said that the Australian vehicle market was likely to be stagnant over the coming 12 months. The group's most optimistic forecasts suggest that total vehicle sales in 1980 will only hold steady at about 587,000 units.

The directors predict a slight downturn in the passenger vehicle market, but some *improvement in the commercial* market.

The 1979 profit represented only 0.4 per cent of sales and only 1.3 per cent of shareholders' funds. Another local manufacturer, Chrysler Australia, is due to report its 1979 results late in March.

Strong advance at Ferodo

BY TERRY DODSWORTH IN PARIS

FERODO, THE French vehicle components group, estimates that its consolidated net profits last year were in the order of FFr 190m ($48m), an increase of more than 20 per cent on its 1978 performance.

Consolidated turnover also rose in the same proportion to FFr 6bn, underlining the rapid development of the group last year when its business increased disproportionately to activity in the vehicle market in general.

The company says that its sales have increased mainly because of the improved performance of its radiator division *and the rising activity in* the components replacement market.

Ferodo has also clearly been helped by the buoyancy of French vehicle production last year. While European production as a whole stagnated, French manufacturers, with whom Ferodo has very close ties, increased output by 3.5 per cent.

At the same time, however, the group managed to make considerable progress overseas. While establishing new companies in Japan and the U.S., its exports went up by 11 per cent to more than a quarter of *sales.*

The group's performance was reflected in the parent company *results, which showed a 10 per* cent rise in sales to FFr 1.9bn. Net profits jumped by 31 per cent to FFr 70m, an increase which was explained, says Ferodo, by the satisfactory level of activity in its vehicle interests, and by the growth of dividends from affiliates which represented about half of the total.

Investments came to FFr 105m, while depreciation was up by 13 per cent to FFr 101m. Ferodo said yesterday that it does not share the gloomy views about the future of the automobile industry. Although it believes that the years of fast growth may be over, there remains considerable *potential for manufacturers in* replenishing the present stock of vehicles in the world.

Peru seeks more foreign loans

BY DOREEN GILLESPIE IN LIMA

PERU, with its finances now in good order and export revenues continuing to grow, is shopping for new international loans, mainly for development projects in electricity and irrigation. The Economy and Finance Minister, Senor Javier Silva Ruete, who signed $180m worth of loans in February, has requested credits for another $800m on a recent financial tour of Europe and North America.

The Minister says the loans will not be a burden to the new civilian Government scheduled to take power in July since Peru's foreign debt at the beginning of 1980 stood at $7.9bn compared with $8.7bn a year ago. Additionally, he says, payments are only 24 per cent of foreign currency revenue.

Senor Silva Ruete has put in loan applications with France for $360m, Czechoslovakia for $121m, Canada for $50m and Hungary $18m. He is additionally applying for $50m from the United States Eximbank.

The requests are for medium to long term loans at preferential interest rates for which, in some cases such as with Canada and France, Sr. Silva Ruete has already signed protocols.

CPC sees growth ahead

LOS ANGELES—CPC International the corn and food products group, expects first quarter net income to be slightly ahead of last year, said Mr. James Eiszner, president.

The company expects big gains in the second half, and net income for 1980 to be ahead of last year. Mr. Eiszner declined to make an estimate for the year, although he said the percentage gain should continue to be about the same as in the past five years.

Analysts estimate that CPC's 1980 per share net income will be between $7.75 and $8.25 a *share, against $7.16 a share.*
Reuter

Sanyo in Argentina

By Our Tokyo Correspondent

SANYO ELECTRIC will become the first Japanese colour television maker to manufacture in Argentina starting in May, when colour TV broadcasting is to start.

The plant will be a joint venture, named San Elco, with Radio Miguel of Argentina and Peicard of Panama. *The Sanyo* group will hold a 50 per cent share.

Initially, Sanyo plans to produce about 2,000 sets a month, with plans to build a large plant sometime in the next year or so. The joint venture will be *capitalised at $2m.*

The new company will take advantage of a designated qausi-free trade zone in Ushuaia, southern Argentina.

Mayne Nickless to make another scrip issue

BY OUR SYDNEY CORRESPONDENT

THE AUSTRALIAN transport group *Mayne Nickless* plans its fourth scrip issue within the past five years, following a 29 per cent boost in profit for the half-year ended December. Profit rose from A$6.46m to A$8.35m (US$9.3m) on a 50 per cent increase in sales to A$194m *(US$216m).*

The interim dividend is held at 5 cents a share, but it will be paid not only on shares from the proposed scrip issue but also on those from the one for 10 scrip issue last August, which adds up to an effective increase *of 20 per cent.*

The latest earnings equalled 14.4 cents a share compared *with 12.4 cents in the comparable* period, and still provides cover for the interim dividend *of almost three times. The* directors pointed out that shares issued in a recent A$10m placement would also rank for the interim payout.

They added that the second half had begun well, and expected the planned annual profit to be achieved. Trading in Australia was sound in traditional activities, most of which *were steadily increasing market* share and profitability. The basic operations in each overseas business showed the same trends.

Cockerill cuts losses

By Our Financial Staff

BELGIUM'S LARGEST steelmaker, Cockerill, sharply reduced losses by BFr 1.79bn to BFr 4.36bn ($152m) last year. It was announced earlier this year that *Cockerill was to receive some* BFr 22bn in state aid.

Cockerill said yesterday that the favourable effects of last year's financial restructuring were partly offset by the rise in interest rates payable on a number of short-term *credits which it had to take* up. The first few weeks of this year indicate an improvement in results, Cockerill said.

Dow Jones radio plan

NEW YORK—Dow Jones, the news agency and publishing company, plans to begin live broadcast of its Wall Street Journal business report in the leading 50 radio markets in the U.S. later this year.

The business and financial newscast will originate from Dow Jones studios in New York and be transmitted via an Associated Press communications satellite to subscribing *stations.* Stations in the top 50 markets taking the service will receive 17 newscasts each weekday, *broadcast hourly.*
AP-DJ

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COMMODITIES/REVIEW OF THE WEEK

Tin price surges to record level

TIN PRICES surged to record levels this week. Three months tin traded at £8,000 at one stage before closing last night at £7,940 a tonne, £307.5 up on a week ago. Cash tin was £375.5 higher on the week at £7,887, still below the all-time peak of 8,150 reached in June last year.

The big rise in the market came on Wednesday after the meeting of the International Tin Council ended with no agreement on either the proposed U.S. stockpile release plans or on producers' demands for a substantial rise in the Tin Agreement price range.

However, traders felt that the *strong objections voiced by producing* countries would at least delay the start of the proposed U.S. *stockpile sales plan.* This was confirmed later when a U.S. State Department official said the Administration was reviewing the stockpile sales policy, but he still expected the first release to take place next month.

Copper prices ended the week on a firm note, despite forecasts that warehouse stocks would increase again. Earlier the market fell back when stocks rose for the first time for 14 months. However, yesterday there were signs of a shortage of nearby supplies and cash wirebars rose to end the week £25.5 highe at £1,225.5 a tonne.

A scarcity of nearby supplies dominated the lead market with the cash price advancing by £56.5 to £560.5 a tonne, while *the three months quotation* gained only £18 to £501.5. The continued strike at the Britan*nia Lead refineries has hit supplies* at a time when the Russians are rumoured to have started buying again. Nickel futures rose too, following the announcement by International Nickel that it was raising its world price by 25 cents to $3.45 a pound for the melting grade. Falconbridge and Le Nickel confirmed similar increases *yesterday. This helped boost* the cash nickel price on the Metal Exchange to £3,177.5 a *tonne, £92.5 up on the week.*

In contrast cocoa prices yesterday sank to the lowest level for four months. The May position on the futures closed last night at £1,375.5 a tonne, £8 lower on the week.

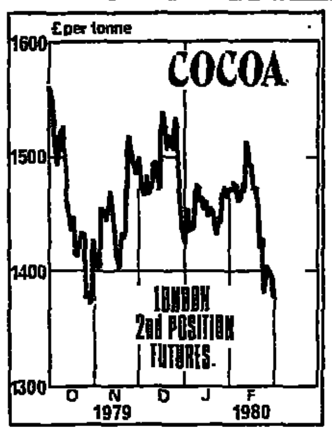
The decline came despite appeals at the Cocoa Producers Alliance meeting in Accra for more co-operation in order to *achieve higher prices. The Ivory* Coast, in particular, was canvassing support for its policy *of withdrawing from the market* until prices rise to more reasonable levels.

Traders apparently were not convinced. They feel that the big surplus of supplies predicted this season will force producers to sell eventually as consumers will be able to delay buying in the knowledge that adequate cocoa is available.

World sugar prices fluctuated violently again this week. The London daily price for raw sugar fell to £215 at one stage before recovering yesterday to £222 a tonne, still £17 down on the week.

The market was hit by another burst of heavy speculative selling. But it recovered strongly yesterday partly on a forecast by statistician, F. O. Licht, that world stocks this season would fall by nearly 5m tonnes and partly on reports that Peru, normally an exporter, would have to import large quantities of sugar following drought cutting back its domestic crop.

Natural rubber prices rallied after the sharp setback suffered the previous week. The No. 1 [illegible]



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£810/815	—	£710	£810/815	£710
Free Markets c.i.f.	$2,180/2,200	—	$1,475/95	$2,190	$1,210
Antimony					
Free Market 99.6%	$3,350/3,375	—	$2,970/302	$3,362.5	$2,712.5
Copper Cash Wire Bars	£1,225.5	+25.5	£1,024.5	£1,372	£769
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

MARKET REPORTS

COPPER—Firmer on the London Metal Exchange. Forward metal opened around £1,210 *and dipped to £1,202 following* forecasts of a further rise in stocks. However, the recent speculative demand for copper carried through during the day and forward metal moved ahead to touch £1,234.5 during the afternoon before easing to close the late Kerb *at £1,224. Turnover 35,700 tonnes.*

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1218-20	−17.5	1225-6	+20.5
3 months	1223-4	−21.5	1233-4	+16
Settlem't	1220	−17	—	......
Cathodes				
Cash	1165-7	−16	1170-5	+18
3 months	1192.5	−9.5	1200-5	+16.5
Settlem't	1167	−15	—	......
U.S. Prod	—	......	*120-131	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,218, 20, 19, three months £1,212, 13, 15, 16, 17, 18, 20, 19, 20, 22, 23, 24, 25, 24, 23. Cathodes, cash £1,169, three months £1,192. Kerb: Wirebars, three months £1,220, 22, 24, 23, 24, 25, 27. *Afternoon: Wirebars,* cash £1,226, three months £1,230, 31, 32, 31, 30, 29, 30, 36, 37, 35, 33, 32, 33, 34, 33. Kerb: Wirebars three months £1,230, 28, 27, 25, 27, 28, 26, 25.

TIN—Gained ground. The rise at *Penang prompted* good demand for forward metal which opened around £7,900. However, this demand soon petered out as hedge selling depressed the price to around £7,830 during the morning rings. Thereafter a good rally developed with forward metal moving *ahead to close the afternoon Kerb at* £7,895. Turnover: 3,100 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7870-75	−12.5	7880-95	+37.5
3 months	7885-95	−35	7930-50	+30
Settlem't	7875	−18	—	......
Standard				
Cash	7870-85	−12.5	7880-95	+37.5
3 months	7885-95	−32.5	7930-40	+30
Settlem't	7885	−5	—	......
Straits E.	£82320	−50		......
NewYork	—	......		......

Morning: Standard, cash £7,870, 75, three months £7,880, 7,900, 7,890, 95, 90. Kerb: Standard, three months £7,910, 20. *Afternoon: Standard, cash* £7,900, three months £7,940, 30, 25, 30, 40. Kerb: Standard, three months £7,920, 10.

LEAD—Firmer as forecasts of a significant rise in stocks led to renewed strong demand for forward metal. The latter traded around £494 *during the* pre-market but moved ahead to touch £502 before closing the late Kerb at £495.5. Turnover: 20,700 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	560-5	+17	558-65	+18.5
3 months	498-1500	−1.5	501-2	+4
S'ment	565	+18	—	......
U.S. Spot	—	......	*50	......

Morning: Cash £548, 52, 58, 65, 60, 58, 60, 59, 60, three months £497, 99, 500, 01, 02, 498, 99. Kerb. Three *months £499, 500, 01. Afternoon: Mid-*March £537, three months £500, 499, 500, 01, 2, 3, 2, 1, 1.5, 1. Kerb: Three months £501, 500, 498, 96.

ZINC—Marginally firmer. Rumours of possible Japanese sales of zinc saw forward metal dip to £390 during the morning. However, renewed fresh and speculative buying prompted a close on the late Kerb of £394.5. Turnover: 7,150 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	379-80	−7	382-4	+3.5
3 months	386-90	−7	394-.5	+3
S'ment	380	−7	—	......
Primw'ts	—	....	*37.5	......

Morning: Cash £380, three months [illegible]

ALUMINIUM—[illegible] around £943 to £950 on the late Kerb. Turnover: 8,000 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	938-40	−7	935.5	+8
3 months	950-1	−7	948-50	+7.5

Morning: Three months £948, 47, 50. Kerb: Three months £950. Afternoon: Three months £949, 50, 51, 50, 48, 49. Kerb: Three months £950, 49.

NICKEL—Gained further ground reflecting news that SLN is to follow Inco's recent price rise. Forward metal opened at £3,230 and moved ahead to touch £3,270 before closing the late Kerb at £3,255. Turnover: 1,830 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	3105-15	+20	3175-80	+77.5
3 months	3200-5	+15	3265-70	+70

Morning: Cash £3,120, 15, three months £3,210, 20, 10. Kerb: Three *months £3,210. Afternoon:* Three months £3,220, 25, 30, 35, 40, 45, 50, 60, 65, 70, 65. Kerb: Three months £3,260, 65, 70, 60, 50, 55.

SILVER

LME—Turnover 171 (227) lots of 10,000 ozs. Morning: cash £1,555, 60 three months £1,580, 90, 85. Kerb: three months £1,580. Afternoon: Three months £1,585, 95, 90, 93, 1,600, 1,595, 90, 91. Kerb: three months £1,590, 80.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	1556.90p	+27.4	1560p	+2.5
3 months	1594.20p	+30.7	1593.75p	+3.75
6 months	1604.80p	+31.7	—	......
12months	1617.90p	+34.4	—	......

Silver was fixed 27.4p an ounce higher for spot delivery in the London bullion market yesterday at £15.589. U.S. cent equivalents of the fixing levels were: [illegible]

COCOA

The market came under pressure this morning. [illegible]

COFFEE

Robustas [illegible]

ICS Indicator prices for Feb. 28 (cents per pound). Other Mild Arabicas 172.67 (171.67). Robustas ICA 1976 167.50 *(same).* ICA 1968 167.75 (same). Unwashed Arabicas 198.50 (198.00). Comp. daily ICA 1968 183.20 (182.70).

GRAINS

Business done—Wheat: March 94.25-93.50, May 98.50-97.90, Sept. 94.60-94.35, Nov. 98.55-98.30, Jan. 102.50-102.20. Sales: 242 lots of 100 tonnes. Barley: March 92.75-92.30, May 96.60-96.25, Sept. 92.35-92.15, Nov. 96.45-96.20, Jan. 100.20-100.15. Sales: 271 lots of 100 tonnes.

WHEAT Mnth	Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
Mar.	94.10	−0.45	92.65	−0.60
May.	98.20	−0.70	96.65	−0.60
Sept.	94.55	−0.20	92.30	−0.25
Nov.	98.50	−0.20	96.45	−0.20
Jan.	102.50	−0.10	100.40	−0.15

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 94.00, E. Midlands 94.40, N. East 93.70, Scot*land* 92.70. *Other milling wheat:* Eastern 98.50, N. East 99.00.

IMPORTED — Wheat: U.S. Dark *Northern Spring No. 2 14 per cent* 98.25, March 98.25, April/May 95.75 transhipment east coast. *Maize:* U.S./French March 116.50, April 117.75 quoted transhipment east coast. South African Yellow April 75.50 sellers. Barley: English Feed fob March 99.50, April 100.60, *April/June* 102.50 *sellers* east coast. Sorghum: March 99.00, April 100.50 paid east coast. Rest unquoted.

LONDON GRAIN FUTURES — Old crops opened 45p-50p lower and values eased quickly to trade £1.00-£1.10 lower where good buying interest was seen and values rallied to trade 75p-90p lower at lunch. In the afternoon resistance was seen and options dropped back to close 30p-45p down on wheat, 60p down on barley. New crops saw reasonable buying interest and values closed 20p down on the *day, reports Acli.*

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

AMERICAN MARKETS

NEW YORK, February 29.

ANTICIPATION OF further tightening of credit and possibly the federal discount rate took its toll in the commodity markets. The only exception was sugar where anticipated shortage of supplies in nearby positions pushed the market limit up. Silver advanced *sharply on short-covering, finishing* mostly limit up. Cotton closed mixed on light trade support. The remaining markets ran into profit-taking with gradually eroding prices, reported Heinold.

[illegible]

Live Hogs—April 36.90-36.80 (37.37), June 41.42-41.50 (41.85), July 42.80-42.75, Aug. 42.07-42.00, Oct. 41.55, Dec. 44.25-44.22, Feb. 46.40, April 45.95.

[illegible]

INDICES

[illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible]

WOOL FUTURES

[illegible]

Stock Exchange dealings

Thursday, February 28	21,039
Wednesday, February 27	18,868
Tuesday, February 26	18,864
Monday, February 25	17,600
Friday, February 22	25,386
Thursday, February 21	19,182

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days: these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ф Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (533)

CORPORATIONS (12)

PUBLIC BOARDS (12)

COMMONWLTH. GOVTS. (14)

FOREIGN STOCKS (2)

BANKS (130)

BREWERIES (110)

COMMERCIAL (1,999)

ELECTRIC LIGHT (1)

Brascan Class A Shs. npv £9¾

FINANCIAL TRUSTS (98)

GAS (26)

INSURANCE (92)

INVESTMENT TRUSTS (186)

SPAIN

February 29	Price %	+ or −
Banco Bilbao	227	+4
Banco Central	256	+4
Banco Exterior	213	
Banco Hispano	226	+6
Banco Ind. Cat.	135	
Banco Madrid	158	−2
Banco Santander	270	+6
Banco Urquijo	175	+5
Banco Vizcaya	238	+4
Banco Zaragoza	207	+2
Dragados	102	+1
Espanola Zinc	60	−2
Fecsa	57	
Gal. Preciados	34	
Hidrola	63.5	+0.3
Iberduero	60.5	+0.3
Petroleos	111.2	+0.2
Petroliber	65	
Sogefisa	115	
Telefonica	65.5	−0.2
Union Elect.	62.7	+0.5

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
AKZ C	F.25	96	1.20	45	1.50	—	—	F.24.40
AKZ C	F.27.50	6	0.40	4	0.80	20	1.40	"
AKZ C	F.30	50	0.10	220	0.40	—	—	"
AKZ P	F.25	38	1.10	—	—	1	1.80	"
AKZ P	F.27.50	—	—	8	3.90	—	—	"
ARB C	F.70	—	—	1	0.40	—	—	F.57.10
BQ C	F.240	50	4	—	—	—	—	F.226.50
CSF C	F.520	—	—	1	27	2	59	F.495.20
HEI C	F.65	—	—	7	6	—	—	F.65
HEI P	F.65	5	2.60	—	—	—	—	"
HO C	F.20	—	—	—	—	40	3.60	F.21
HO C	F.25	50	0.40	20	0.60	11	1.10	"
IBM C	$65	—	—	—	—	2	7⅜	$63¾
KLM C	F.60	10	9.80	—	—	—	—	F.68.50
KLM C	F.70	35	3.10	15	8.20	—	—	"
KLM C	F.80	80	0.70	—	—	10	3.50	"
KLM C	F.60	11	1	—	—	2	4.40	"
KLM P	F.70	40	4.90	—	—	—	—	"
KLM P	F.80	—	—	50	12.80	—	—	"
KLM P	F.90	4	21	—	—	—	—	"
NN C	F.110	10	3.20	—	—	—	—	F.111.20
PHI C	F.17.50	—	—	—	—	20	2.60	F.18.70
PHI C	F.20	44	0.50	40	1	61	1.20	"
PHI C	22.50	6	0.20	15	0.40	25	0.60	"
PHI P	F.17.50	115	0.50	—	—	—	—	"
PHI P	F.20	10	1.50	4	1.70	—	—	"
PHI P	F.22.50	21	3.70	—	—	—	—	"
RD C	F.140	2	28.50	—	—	—	—	F167.80
RD C	F.145	3	23.90	—	—	—	—	"
RD C	F.150	46	19	—	—	—	—	"
RD C	F.160	168	12.10	45	13.10	1	14.50	"
RD C	F.170	295	5.80	365	8	10	9.60	"
RD P	F.145	162	0.30	—	—	—	—	"
RD P	F.150	105	0.80	—	—	—	—	"
RD P	F.160	128	3.50	—	—	—	—	"
RD P	F.170	10	6.90	—	—	—	—	"
UNI C	F.110	8	6.20	—	—	—	—	F.111.80
UNI C	F.115	25	3	1	4	—	—	"
UNI C	F.120	8	1.30	14	2.60	132	4	"
UNI P	F.110	14	1.70	2	3	—	—	"
XON C	$60	3	6¾	—	—	—	—	$64⅞
XRX C	$70	—	—	—	—	1	5⅝	$60⅛
		May		Aug.		Nov.		
BA C	$60	9	4⅞	—	—	—	—	$59⅛
MMW C	DM.120	2	14	—	—	1	18	DM130
SIE C	DM.280	1	5.50	—	—	—	—	DM270
SLB C	$110	2	10½	—	—	—	—	$112⅜
SLB C	$120	2	6½	—	—	—	—	"
VEB C	DM.160	4	6.50	—	—	—	—	DM158.60

TOTAL VOLUME IN CONTRACTS 2866

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Langris Trust Ltd.	17 %
Bank of Credit & Cmce.	17 %	Lloyds Bank	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	18 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Co-operative Bank	*17 %	Twentieth Century Bk.	17 %
Corinthian Secs.	17 %	United Bank of Kuwait	17 %
The Cyprus Popular Bk.	17 %	Whiteaway Laidlaw	17½%
Duncan Lawrie	17 %	Williams & Glyn's	17 %
Eagil Trust	17 %	Wintrust Secs. Ltd.	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼%, and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
ICI	£1	10	398	− 2	415	314
Lonrho	25p	10	110	+ 3	110	62
Meyer (Mont. L.)	25p	8	119	+ 6	120	71
Shell Transport	25p	8	400	+ 8	402	278
Burmah Oil	£1	7	239	+ 2	249	82
LASMO	25p	7	528	+28	528	124
Barclays Bank	£1	6	445	− 3	514	360
Beecham	25p	6	125	+ 1	189	114
BP	25p	6	398	+ 2	414	220½
European Ferries	25p	6	123½	+ 3½	183	92
Racal Electronics	25p	6	227	+ 3	276	168½
Tricentrol	25p	6	334	+ 4	336	148
Blackwood Hodge	25p	5	43	—	58	33
Carless Capel	10p	5	108	—	108	28
ICL	25p	5	143	+ 3	143	99½

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
Burmah Oil	£1	52	239	+ 4	249	82
ICI	£1	45	398	+10	415	314
Lonrho	25p	39	110	+ 9	110	62
Meyer (Mont. L.)	25p	39	119	+16	120	71
Shell Transport	25p	38	400	+18	402	278
BP	25p	36	398	+ 6	414	220½
LASMO	25p	36	528	+58	528	124
UDT	25p	33	54	+ 3	55	32
RTZ	25p	32	445	+ 5	492	226
Barclays Bank	£1	31	445	—	514	360
European Ferries	25p	31	123½	+ 9	183	92
Tricentrol	25p	30	334	+18	336	148
Ultramar	25p	29	526	+40	526	197
GKN	£1	28	268	+18	308	[illegible]
Western Mining	A$0.50	28	250	+10	268	[illegible]

مكتبة من الكحل

هكذا من الأصل

Pres. Brand (R0.50) $US43¾
Pres. Steyn (R0.50) $US37¼ø
Rand London Coal Units 7pm (27/2)
Rand Mines Props. (R1) 280
Randfontein Witwatersrand (R2) 33½ (26/2)
Rustenburg Plat. Hldgs. (R0.10) 282 78 $US6.21
St. Helena (R1) $US38½ 39 £17 (26/2)
Sentrust Beperk (R0.10) 325 (22/2)
Sth. African Land Expln. (R0.35) £4 (25/2)
Southvaal Hldgs. (R0.50) $US22¾ £10.22 (26/2)

Town Centre Secs. (25p) 52½ (22/2)
Trafford Park Ests. (25p) 136ø 5ø 7
United Kingdom Pty. (25p) 27¼ø
Warner Est. Hldgs. (25p) 245 (25/2)
Warnford Inv. (20p) 383 (25/2)
Webb (Joseph) (5p) 20½. 7¼pcPf. 44½ (25/2). 8pcMt.Deb. 64¼ (22/2)
Westminster Country Props. (25p) 44 (26/2)
Westminster Pty. Grp. (20p) 34½ (27/2)
Winston Ests. (25p) 48¼

RUBBER (18)

Aberfoyle (8p) 13½.
Barlow (10p) 108 9 (26/2)

Wheelock Marden A 37ø
Wheelock Maritime B 3¼
Woodside Pets. 119ø 28 9 7 5 4
Woolworth Australia 70

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

FEBRUARY 27

Aberfoyle 410
Allied Chemical £24⅞
Ashland Oil £15⅞
BP Canada £20
Baguio Gold ⅜
Basin Oil 32
Beach Pets. 355ø
Bougainville Copper 205ø 12 13 11
Bow Valley £23¼ ⅛
CSR 310
Canada North West Aust. Oil 11ø 12
Carr Boyd Minerals 32ø
Central Pacific Minerals £20ø 3¼ 4¼ ½
Ciba Geigy 7¼pc Conv. £92½
Ciba Geigy 8pc Conv. £85½
Cultus Pacific 23ø 31 24 8 9
Cultus Pacific Options 14¼ø 16
Dome Pets. £30⅛
Endeavour Resources 20½ø
Gem Expln. 32ø 30 5 4
Gulfstream Resources 275ø 85ø 322 10 25
Hamersley Holdgs. 206ø
Hartogen Energy 152
Hong Kong Land 125½ø 3½
Jardine Matheson 161
Key West Ex. 13ø ¼ø
Lennard Oil 80ø
MIM Hldgs. 258ø 66 2 3
Magnet Metals 46ø
Marks and Spencer Canada 300 5
McRae Cons. Oil and Gas £21½ø
Mid East Minerals 9
Myers Emporium 76
New Metal Mines 18

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

FEBRUARY 22

Candecca Resources 93 2 1 90
CCP North Sea Associates 275 3 1 70
Cluff Oil 391 90 75
Siebens Oil and Gas (UK) 796 90 98 4 2 80 79 4
Viking Oil 810

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest %	Interest payable	Minimum sum £	Life of bond Year
Alyn and Deeside (0244 531212)	15¼	½-year	5,000	1
Knowsley (051 548 6555)	15⅜	½-year	1,000	1
Redbridge (01-478 3020)	14⅞	½-year	200	2-3
Redbridge (01-478 3020)	14	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11.25 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.75	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	13.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yrs., 11.6 8 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate rose by 0.0524 per cent to 16.1236 per cent at yesterday's tender, and the minimum accepted bid fell to £95.98 from £95.99 the previous week. Bids at that level were met as to about 51 per cent and above in full. The £300m bills on offer attracted bids of £657.675m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was again in very short supply in the London money market yesterday, and the authorities gave assistance on an extremely large scale. This comprised large purchases of Treasury bills from the discount houses and banks, and a small number of corporation bills. They also bought a small amount of eligible bank bills for resale at fixed future dates, and the help was made up with large loans to five or six houses at MLR, half for repayment on Tuesday and half on Wednesday. The repayment of the lending was deferred probably because of petrol tax payments due on Monday, estimated at around £700m.

THE POUND SPOT AND FORWARD

Feb. 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2685-2.2850	2.2725-2.2735	0.50-0.40c pm	2.37	1.00-0.90 pm	1.67
Canada	2.6010-2.6160	2.6015-2.6025	1.60-1.40c pm	6.89	3.20-3.10 pm	4.84
Nethlnd.	4.42½-4.45½	4.43½-4.44½	3¼-2¼c pm	7.09	7-6 pm	5.85
Belgium	65.35-65.75	65.50-65.60	25-15c pm	3.66	62-52 pm	3.48
Denmark	12.53-12.61	12.56½-12.57½	2¼-4¼ore dis	−3.58	6¾-8¾ dis	−2.47
Ireland	1.0860-1.0955	1.0930-1.0940	0.04p pm-0.06dis	−0.11	par-0.10 dis	−0.18
W. Ger.	4.02-4.05½	4.03½-4.04½	4¼-3¼pf pm	10.77	9⅞-8⅞ pm	9.28
Portugal	109.20-109.90	109.50-109.70	5c pm-45 dis	−2.19	65-165 dis	−4.20
Spain	152.45-153.10	152.65-152.75	5c pm-45 dis	−1.57	55-155 dis	−2.75
Italy	1,860-1,872	1,869½-1,870½	1½ lire pm-½ dis	0.48	3½-5½ dis	−0.96
Norway	11.17-11.21	11.17½-11.18½	6-4ore pm	5.37	13¼-11¼ pm	4.56
France	9.43-9.49	9.47½-9.48½	4¼-3¼c pm	5.38	10½-9½ pm	4.22
Sweden	9.56-9.62	9.60-9.61	4¼-2¼ore pm	4.06	9¼-7¾ pm	3.64
Japan	565-575	571½-572½	4.50-4.25y pm	9.18	11.05-10.75pm	7.62
Austria	28.80-28.96	28.83-28.88	18-8gro pm	5.41	72-62 pm	9.29
Switz.	3.82-3.88½	3.86½-3.87½	5½-4½c pm	15.50	13½-12½ pm	13.05

Belgian rate is for convertible francs. Financial franc 67.15-67.25. Six-month forward dollar 1.67-1.57c pm, 12-month 2.65-2.55c pm.

EXCHANGES AND BULLION

The dollar continued to improve in currency markets yesterday underpinned by further increase in U.S. prime rates. As a result the U.S. unit finished on or around its best level for the day. Against the D-mark it rose to DM 1.7765 from DM 1.7630 and to SwFr 1.7020 from SwFr 1.6725 in terms of the Swiss franc. The Japanese yen was very weak, and the dollar broke through the Y250 barrier to close at Y251.6, compared with Y248.4. On Bank of England figures, its trade weighted index rose sharply to 86.6 from 86.1.

Sterling remained fairly steady for most of the day but lost ground during the afternoon against the dollar, while remaining static against major European currencies. This was reflected in the pound's trade weighted index which rose to 73.2 at the close from 73.1 on Thursday, but was down from the opening calculation of 73.3.

Against the dollar it opened at $2.2830 and rose to a best level of $2.2850, before coming back at noon to $2.2800. News of further increase in U.S. prime rates saw the dollar well bid, with U.S. centres also entering the market as net buyers.

GOLD

	February 29		February 28	
Gold Bullion (fine ounce)				
Close	$638-643	(£280¾-283)	$639-644	(£279¾-282)
Opening	$643-648	(£281¾-284)	$636-641	(£278-280¼)
Morning fixing	$640	(£280.603)	$638	(£278.931)
Afternoon fixing	$637	(£280.148)	$646	(£282.489)
Gold Coins				
Krugerrand	$640-644	(£281½-283½)	$643-647	(£281-284)
Mapleleaf	$635-645	(£279½-284½)	$640-650	(£280-285)
New Sovereigns	$160-162	(£70½-72)	$163-165	(£71-73)
King Sovs.	$181-184	(£79½-81½)	$182-185	(£79½-81½)
Victoria Sovs.	$181-184	(£79½-81½)	$182-185	(£79½-81½)
French 20s	$147-149		$149½-152½	
50 pesos Mexico	$780 790		$790-800	
100 Cor. Austria	$610-620		$620-630	
$20 Eagles	$745-755		$763-758	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Feb. 29	PoundSterling	U.S. Dollar	Deutschem'k	Japan'seYen	FrenchFranc	Swiss Franc	DutchGuild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.273	4.040	572.0	9.480	3.870	4.440	1870.	2.602	65.55
U.S. Dollar	0.440	1.	1.777	251.6	4.171	1.703	1.953	822.7	1.145	28.84
Deutschemark	0.248	0.563	1.	141.6	2.347	0.958	1.099	462.9	0.644	16.23
Japanese Yen 1,000	1.748	3.974	7.063	1000.	16.57	6.766	7.762	3269.	4.549	114.6
French Franc 10	1.055	2.398	4.262	603.4	10.	4.082	4.684	1973.	2.745	69.15
Swiss Franc	0.258	0.587	1.044	147.8	2.450	1.	1.147	483.2	0.672	16.94
Dutch Guilder	0.225	0.512	0.910	128.8	2.135	0.872	1.	421.2	0.586	14.76
Italian Lira, 1,000	0.535	1.216	2.160	305.9	5.073	2.070	2.374	1000.	1.391	35.05
Canadian Dollar	0.384	0.874	1.553	219.8	3.643	1.487	1.706	718.7	1.	25.19
Belgian Franc 100	1.526	3.468	6.163	872.6	14.46	5.904	6.773	2853.	3.969	100.

LONDON MONEY RATES

Feb. 29 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ø	Eligible Bank Bills ø	Fine Trade Bills ø
Overnight	—	13-18¼	—	—	—	17½-17¾	14-17	—	—	—
2 days notice	—	—	17⅞-18¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	18-18¼	17⅞-18¼	—	18⅜	18-18¼	17	—	—	—
One month	18 1/16-18	18 1/16-18 1/16	17⅞-18⅛	19¼-19	18⅜	18¼	16⅞	15 9/16	17 11/16-18	18 1/16
Two months	18 1/16-18	18¼-18⅛	—	19-18¾	18⅜	—	16⅝	16¼	17 11/16-17⅞	18 1/16
Three months	18¼-18	18¼-18⅛	18-18¼	18⅝-18⅜	18⅜	18-18¼	16½-16⅝	16⅞	17 13/16-17⅝	17 13/16
Six months	17 11/16-17½	17⅝-17¾	17¾-18	17¼-16¾	18	18	—	—	16½	16⅞
Nine months	17-16¾	16⅞-17	—	17⅞-16⅝	17⅛	—	—	—	—	—
One Year	16¾-16½	16¾-16⅞	16⅞-17¼	16¾-16⅝	17	—	—	—	—	—
Two years	—	—	16¼-16¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 16¼-16½ per cent; four years 16-16¼ per cent; five years 15⅞-16 per cent. ø Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17 9/16-17¼ per cent; four-month trade bills 17½ per cent.

Approximate selling rates for one-month Treasury bills 15 25/32-15 27/32 per cent; two-months 15 29/32 per cent; three-months 16 3/32 per cent. Approximate selling rates for one-month bank bills 17 11/16-17¾ per cent; two-months 17⅝-17¾ per cent; three-months 17 9/16-17½ per cent; one-month trade bills 18 1/16 per cent; two-months 17 15/16 per cent and three-months 17 13/16 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from March 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills Average tender rates of discount 16.1236 per cent.

CURRENCY MOVEMENTS

Feb. 29	Bank of England Index	Morgan Guaranty changes %
Sterling	73.2	−33.1
U.S. dollar	86.6	−7.3
Canadian dollar	83.1	−15.1
Austrian schilling	157.7	+24.7
Belgian franc	115.0	+13.3
Danish kroner	108.3	−3.3
Deutsche mark	157.1	+45.6
Swiss franc	193.8	+74.2
Guilder	126.3	+20.3
French franc	101.6	−6.0
Lira	55.1	−49.6
Yen	112.9	+11.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 16.00-16.10 per cent; three-months 16.65-16.75 per cent; six months 16.70-16.80 per cent; one year 16.15-16.25 per cent.

Feb. 29	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17⅝-17⅞	15⅛-15⅜	8-9	10⅞-11⅛	2-2¼	7⅝-7¾	12¾-13	13-15	—	8½-10
7 days' notice	17⅞-18⅛	15¼-15½	8-9	11½-11¾	2⅛-2⅜	8-8⅛	12⅞-13⅛	14-16	14½-14⅝	9¾ 10⅛
Month	18¼-18½	15 11/16-16 3/16	13⅛-13⅛	11⅞-12⅛	4⅛-4¼	8⅝-8¾	13⅛-13⅜	17½-18½	14¾-14⅞	10 1/16-10 3/16
Three months	18½-18¾	16 13/16-17 1/16	13¾-14⅛	12⅝-12⅞	5 11/16-5 13/16	9⅛-9¼	14¼-14½	19-20	16¾-16⅞	10⅛-10¾
Six months	18⅝-18⅞	16¾-17	14⅛-14⅛	12⅞-13⅛	6⅛-6¼	9 3/16-9 7/16	15-15¼	19¼-20¼	16 11/16-16 13/16	10½-10¾
One year	17⅝-17⅞	16⅜-16⅝	13⅜-13¾	12⅞-13⅛	6¼-6⅜	9⅜-9½	15-15¼	21-22	16⅛-16¼	10 3/16-10 5/16

Long-term Eurodollar two years 15¾-15⅞ per cent; three years 15-15¼ per cent; four years 14⅞-15⅛ per cent; five years 14¾-15 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-day's notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 29	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.6207	+2.09	+1.48	±1.53
Danish Krone	7.72336	7.79375	+0.91	+0.30	±1.64
German D-Mark	2.48208	2.50332	+0.86	+0.25	±1.125
French Franc	5.84700	5.86296	+0.27	−0.34	±1.3557
Dutch Guilder	2.74362	2.75323	+0.35	−0.28	±1.512
Irish Punt	0.668201	0.678152	+1.49	+0.88	±1.668
Italian Lira	1157.79	1159.18	+0.12	+0.02	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by *Financial Times*.

OTHER CURRENCIES

Feb. 29	£	$		£ Note Rates
Argentina Peso	3858-3878	1700-1706	Austria	28.75-29.00
Australia Dollar	2.0710-2.0750	0.9120-0.9125	Belgium	67.15-67.75
Brazil Cruzeiro	102.12-103.12	44.90-45.35	Denmark	12.54-12.61
Finland Markka	8.53-8.54	3.7590-3.7595	France	9.40-9.46
Greek Drachma	88.831-90.930	38.95-39.15	Germany	4.02¾-4.04¾
Hong Kong Dollar	11.21¼-11.23¼	4.9350-4.9380	Italy	1870-1935
Iran Rial	n/a	n/a	Japan	570-578
Kuwait Dinar(KD)	0.620-0.630	0.2741-0.2748	Netherlands	4.43-4.45⅛
Luxembourg Frc.	65.50-65.60	28.84-28.86	Norway	11.15-11.22
Malaysia Dollar	4.9625-4.9725	2.1835-2.1855	Portugal	105-113
New Zealand Dlr.	2.3390-2.3440	1.0300-1.0310	Spain	150-167½
Saudi Arab. Riyal	7.61-7.71	3.3635-3.3685	Sweden	9.54-9.60
Singapore Dollar	4.9310-4.9410	2.1700-2.1720	Switzerland	3.83-3.86
Sth. African Rand	1.8345-1.8365	0.8070-0.8080	United States	2.275-2.285
U.A.E. Dirham	8.48-8.58	3.7410-3.7440	Yugoslavia	51½-53½

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 29/2/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	158.00	47.6	77-81	6.5	4.0	−13.8	−15 to −6	0.0	14.1	7.7	+21.5
British Land 12pc Cv. 2002	7.71	253.00	333.3	80-97	4.8	2.9	−2.1	−4 to 12	0.0	92.2	35.7	+37.7
Hanson Trust 6½pc Cv. 88-93	3.38	84.00	57.1	76-81	8.0	8.9	0.0	−7 to 13	6.1	6.3	0.2	+0.2
Slough Estates 10pc Cv. 87-90	5.50	215.00	187.5	78-86	4.7		−4.4	−6 to 1	36.7	43.1	2.3	+7.3
Slough Estates 8pc Cv. 91-94	24.88	109.00	78.0	80-91	7.4	7.0	16.5	16 to 28	25.7	49.8	25.7	+9.3
Ultramar 7pc net R.Cv.Pfd.	12.59	2.65	0.5	78-83	3.8		−3.2	−7 to 3	25.5	24.9	−0.2	+3.0
Wilkinson Match 10pc Cv. 84-98	11.10	77.00	40.0	76-83	13.3	13.7	34.6	18 to 38	20.4	28.6	14.3	−20.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

Investment enthusiasm cools and equities drift back
Gilts unsettled by world interest rate pressures

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 11	Feb. 21	Feb. 22	Mar 3
Feb. 25	Mar. 6	Mar. 7	Mar. 17
Mar. 10	Mar. 20	Mar. 21	Mar. 31

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Recent investment enthusiasm for equities cooled yesterday following the Prime Minister's repeated determination to maintain the Government's monetary and industrial policies. An indifferent Press on ICI's preliminary results and mixed views on the group's prospects also tended to impart restraint to most sectors with the notable exception of secondary Oils.

This section once again traded in lively fashion with the spotlight remaining on **Berkeley Exploration and Production.** Down to 120p initially on substantial profit-taking—the stock was issued at 50p and oversubscribed 40 times—Berkeley rallied strongly to 140p before closing 4 down on balance at 128p. **Siebens (UK), LASMO, Ultramar** and **British-Borneo** were other lively counters.

Although general interest was noticeably reduced, leading shares rallied progressively from lower opening levels and few ended more than a penny or so easier despite publication this weekend of several economic and industrial surveys including those from the CBI and NIESR. After having recorded a loss of 3.6 at the first calculation of the day, the FT 30-share index closed only 2.0 easier at 467.1 for a net rise on the week of 12.9.

Rising international interest rates revived anxieties about domestic levels and Gilt-edged relapsed into uniform dullness. The £294m call on the short tap stock, **Exchequer 13¼ per cent 1983**, and even tighter credit conditions in money markets contributed to a general shortage of investment funds which particularly affected the early dates.

The announcement that the recall of special deposits had been deferred from next Friday until May 14 was widely anticipated and had no impact on sentiment. Afternoon trade was especially thin but there was no recovery and the shorts closed with falls extending to ⅜. Longer-dated issues were rarely more than ⅜ easier, despite limited Continental selling, and the new long tap, **Treasury 14 per cent 1996**, settled ⅛ off at 19⅝ in £20-paid form.

Demand for Traded options was again at a low ebb with a total of 470 contracts completed for a week's daily average of 572, slightly above the previous week's average. The majority of yesterday's business was dealt in **Marks and Spencer**, 118, and **ICI**, 80.

Discounts steadier

The major clearing banks tended to soften in thin trading, but *Discount Houses steadied* after Thursday's sharp decline which followed Clive's warning of large trading losses and a possible dividend cut. Clive, at 51p, *recovered a penny of the* previous day's fall of 17, while **Union**, 355p, **Gillett**, 165p, and **Alexanders**, 195p, all picked up 5. **Cater Ryder**, on the other hand, remained on offer and shed 7 for a two-day fall of 17 to 283p.

Insurances closed narrowly mixed with **Royals** 3 cheaper at 335p awaiting Monday's preliminary results. Among Brokers, **C. T. Bowring** shed 4 to 136p on fears that Marsh McLennan's bid for the company may be referred to the Monopolies Commission.

Breweries finished the first leg of the Account in idle mood with the leaders closing a penny or two harder. Distilleries continued to benefit from the EEC ruling over unfair taxation on whisky imports and **Highland** ended a couple of pence better for a week's rise of 12 at 135p.

Buildings were featured by a drop of 24 to *77p*, after 73p, in **Armitage Shanks** following the unexpected Monopolies Commission reference for **Blue Circle's** bid; the latter, which has a large cement price increase coming into effect next week, firmed 6 to 314p. The chairman's fresh denial of a bid approach failed to quell speculative interest in **Montague L. Meyer** which put on 6 to 119p, after 120p, for a gain on the week of 16. **Tarmac**, a rising market of late on its oil interests, eased 6 to 234p. Elsewhere, **SGB** revived with a gain of 7 to 255p and, still reflecting the company's recently negotiated £5m loan facility, **Federated Land and Building** added 2 more to 62p. Speculative counter **Ruberoid** touched 64p before settling a net penny higher at 62p for a gain on the week of 8. **Brown and Jackson**, on the other hand, remained on offer and eased 5 more to 170p.

Down to 396p initially after cautious Press comment on the preliminary results, **ICI** rallied to the overnight level of *400p* before settling a net 2 cheaper at 398p. **Fisons** eased 6 to 289p awaiting Monday's annual results. Among other Chemicals, **Ellis and Everard** firmed 4 to *132p* and *William Ransom put on 5 to* 285p in thin markets.

Henderson up on bid

Interest among Stores was mainly confined to second-line issues. Dealings were resumed in furniture retailers **Henderson-Kenton** following an agreed £14.1m offer from **Harris Queensway**; the former, suspended last Thursday at 118p, touched 218p before closing at 215p; Harris Queensway firmed 3 to 188p. *Comment on the recent results lifted* **Bakers Household** 10 to 96p, while speculative attention was again directed towards **Courts A**, 6 up at 92p, and **J. Hepworth**, 4 better at 72p. *Lee Cooper, 300p,* and **Dixons Photographic**, 112p both added 3, while **Vantona** continued to benefit from the pleasing annual results and *closed 2 up for a gain on the* week of 15 at 109p. **NSS Newsagents**, 131p, and **Wearwell**, 48p, rose 5 and 4 respectively, while **Cantors** improved 6 at 52p. The *leaders were quietly mixed.* **GUS A** added 4 to 398p, but recently firm **Mothercare** shed a couple of pence to 236p on profit-taking.

Electricals passed a fairly quiet session, *but the majority* of movements favoured holders. Revived buying interest left **Automated Security** 5 to the good at 265p and similar improvements were recorded *in* **Wholesale Fittings**, 580p, and **Unitech**, 275p. *In contrast,* **Louis Newmark**, a particularly good market of late, encountered profit-taking and *reacted 15 to 335p, while* occasional offerings left **Brocks** 4 down at 77p. Leading issues trended firmer, **Racal** improving 3 more to 227p and **GEC** a few *pence to 379p.*

Assisted by Press mention, **GKN** improved 4 to 268p, but **Vickers** at 140p, gave up 4 of the previous day's gain of 18 *which followed the £30m Roneo/* CIT-Alcatel deal. **Hawker** also turned easier after Thursday's improvement on a U.S. acquisition, reacting 6 to 184p. *Elsewhere in Engineers, demand in a* market none too well supplied with stock left **Green's Economiser** 12 to the good at 109p. **Amalgamated Power** were *supported and put on 5 to 83p,* while raises of 4 were marked against **Simon Engineering**, 242p, **Desoutter**, 130p, and **B. Elliot**, 272p. **Tace** responded to the *annual results with a gain of 2½* to 26½p.

Rumours of a broker's bearish circular unsettled **Associated Dairies** which shed 8 to 130p, but news of the chairman's confident annual statement benefited **Northern Foods** which improved 2 to 127p. Elsewhere, **Associated Fisheries** responded to a speculative flurry with a gain of 8 to a *1979/80 peak of 62p, but* **Needlers** shed 6½ to 41½ on nervous selling ahead of next Thursday's annual results. Reflecting the slightly disappointing preliminary results, **Squirrel Horn** shed 2 to 37p.

Gestetner advance

Interest in the miscellaneous Industrial leaders was at a low ebb with prices fluctuating narrowly and closing little altered on the day. News of the *Roneo Vickers/CIT-Alcatel deal* prompted bid hopes in **Gestetner A** which advanced 8 to 84p. Reflecting the recent good third-quarter figures, **Johnson Matthey** advanced 12 more to 290p, while **Cawoods**, up 6 further at 188p, continued to benefit from the company's holding in Lasmo. Further speculative demand *lifted* **Howard Tenens** *3½ more to* 83p. Paint shares came to life with **Camrex** noteworthy for a rise of 7 at 44p along with **Lead Industries**, 5 higher at 161p. *De La Rue improved 15 to 820p* in a limited market. On the other hand, **Lesney** fell 2 to 28p, while fresh selling left **British Cargo** 3 cheaper at 30p.

Among Leisure issues, **Campari** shed 5 for a two-day fall of 14 to 75p, after 72p, on the disappointing interim statement.

In Motor Distributors, **Appleyard** encountered revived speculative support and rose 6 to 82p. **Lookers** picked up a few pence to 49p, while **Pennine** added a fraction at 8¼p. **Glanfield Lawrence**, on the other hand, shed 2 to 58p.

With the exception of **East Midland Allied Press**, which continued to attract support and closed 2 up at 78p for a gain on the week of 9, Newspapers were subdued and stayed close to the overnight levels. Elsewhere, dealings were suspended in *London and Provincial Poster* at 287p pending an announcement from the company.

Properties made progress despite fading hopes of an early reduction in interest rates and the lack-lustre performance of Gilt-edged. The leaders, however, closed a touch below the best with **MEPC** finishing 7 up at 209p, after 210p, and **Land Securities** settling 2 firmer at 306p, after 308p. **Haslemere Estates** retained a gain of 6 at 312p and **Stock Conversion** one of 4 at 378p.

Siebens higher

Trading in the Oil sector was extremely lively speculations continued in **Siebens (UK)** which eased to 878p initially before advancing afresh to close 40 higher at 930p for a rise of 144 on the week. Further support was also forthcoming for **Lasmo**, up 28 at 528p, with the **OPS** 15 higher at 965p. **Weeks Petroleum** advanced 15 to 390p and **Woodside** 8 to 134p, while **Candecca** were also good at 102p, up 8. Still reflecting a recent chart-buy signal, **Ultramar** hardened 6 more to 526p. **Burmah** became a better market at 239p, up 2, after the recent bout of profit-taking. Among the leaders, **Shell** improved 8 to 400p awaiting next Thursday's preliminary results, but **BP** managed to improve only 2 to *398p*.

Golds firmer

South African Golds were firmer in tone, but trading was subdued and prices were marked up on the steady bullion price, which finally eased to close at $640.50 an ounce for a fall on the day of $1. The Gold Mines Index was 5.9 higher at 377.9, an advance of 29.5 on the week.

There were rises of ⅜ for **Winkelhaak** and **President Steyn** at £15½ and £17⅜ respectively while, among the more moderately-priced issues, **ERGO** closed 12 harder at 405p and **Loraine** 11 better at 361p. There was some small investment buying, but professional trading was mainly confined to book-squaring.

A similar pattern of trading developed among South African Financials. The undertone remained steady, but the market lacked stimulus. London Financials stayed close to their overnight levels, but looked firmer where changed, as in the case of **Charter Consolidated**, up 2 at 178p.

Platinums also remained a steady market, in line with Golds, with **Impala** gaining 5 to 340p, and **Lydenburg** rising 4 to 180p. Coppers responded to higher metal prices with **ZCI** meeting demand and putting on 6 to 52p. **Roan Consolidated** closed 15 firmer at 230p.

Australians were buoyant for the third day running as the Sydney and London markets have fed off each other. Trading was again active with investment demand spread over the whole market. Among the leaders, **Western Mining** were strong, rising 10 to 250p. **Bougainville**, with the benefit of both copper and gold, ended 15 up at 240p.

Attention was also directed at **Metals Exploration**, pushing the shares up 6 to 67p. **North West Mining** rose 7 to 40p. But the Rundle oil shale partners fell back after their recent advances—**Central Pacific** lost 1 to £24¼ and **Southern Pacific** fell 50 to 925p. **Silver Valley Minerals** were firmer at 55p on the coal deal with **Marubeni**.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	400	24	5	—	—	—	—	397p
BP	420	—	—	42	8	54	—	"
BP	440	12	1	—	—	—	—	"
Cons. Gold	500	46	5	76	—	98	—	533p
Cons. Gold	550	20	3	50	—	66	1	"
Courtaulds	70	7	9	11	—	12½	—	73p
Courtaulds	80	3½	—	6	6	8½	—	"
Courtaulds	90	1½	4	2½	—	—	—	"
GEC	360	37	10	54	—	66	—	379p
GEC	420	8	2	—	—	—	—	"
Grand Met.	140	5	6	10½	6	16	—	135p
ICI	360	39	19	61	—	72	—	400p
ICI	390	20	18	38	—	51	—	"
ICI	420	9½	7	25	36	38	—	"
Land Secs.	300	23	—	36	3	48	2	307p
Land Secs.	330	8½	60	19	1	—	—	"
Marks & Sp.	100	5	10	8½	27	13	2	97p
Marks & Sp.	110	2½	59	4½	—	—	—	"
Marks & Sp.	120	1	20	—	—	—	—	"
Shell	360	40	19	64	—	74	—	378p
Shell	390	23	35	44	5	56	—	"
Shell	420	12	3	26	—	36	—	"
Totals			295		92		5	
		May		**August**		**November**		
Boots	160	38	—	43	5	49	—	192p
Racal Elec.	180	53	3	61	—	—	—	226p
Racal Elec.	200	35	—	46	10	53	—	"
Racal Elec.	220	21	1	32	4	41	—	"
Racal Elec.	240	10½	5	23	25	—	—	"
RTZ	460	35	24	60	—	75	—	445p
RTZ	500	18	1	40	—	—	—	"
Total			34		44		—	

FINANCIAL TIMES STOCK INDICES

	Feb. 29	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 22	A year ago
Government Secs.	64.95	65.34	65.31	65.58	65.69	65.87	71.40
Fixed Interest	65.98	66.07	66.09	66.43	66.46	66.73	71.12
Industrial	467.1	469.1	460.4	455.8	453.7	454.2	484.5
Gold Mines	377.9	372.0	351.0	347.7	341.5	346.4	169.3
Ord. Div. Yield	7.21	7.07	7.19	7.31	7.31	7.32	5.81
Earnings, Yld. % (full)	17.48	17.39	17.68	17.97	17.98	18.00	15.19
P/E Ratio (net) (*)	7.03	7.05	6.93	6.82	6.81	6.81	8.53
Total bargains	20,085	21,039	18,868	18,864	17,800	25,386	—
Equity turnover £m	—	121.13	154.65	96.40	89.55	127.19	110.85
Equity bargains total	—	16,477	16,089	14,010	14,656	18,205	19,159

10 am 465.5. 11 am 466.8. Noon 467.0. 1 pm 467.1.
2 pm 467.2. 3 pm 468.1.
Latest Index 01-246 8026.
* Nil=6.77
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 29	Feb. 28
—Daily		
Gilt Edged	114.6	114.8
Industrials	115.6	123.9
Speculative	61.4	53.6
Totals	82.5	83.5
5-d'y A'vr'ge		
Gilt Edged	114.4	113.0
Industrials	115.8	114.1
Speculative	54.7	55.5
Totals	82.8	82.1

MONTHLY AVERAGES OF STOCK INDICES

—	February	January	December	November
Financial Times				
Government Securities	65.93	67.14	64.76	65.53
Fixed Interest	66.93	68.00	65.58	66.44
Industrial Ordinary	460.7	440.6	419.8	415.9
Gold Mines	347.9	315.8	258.5	213.7
Total Bargains	21,854	22,616	15,221	18,155
F.T.—Actuaries				
Industrial Group	230.54	219.73	209.53	205.96
500 Share	275.25	257.86	249.53	247.82
Financial Group	197.63	187.93	179.53	169.39
All-Share (750)	267.99	240.85	230.78	226.12
Red. Debs. & Loans	51.18	50.19	49.49	51.89
	High		**Low**	
Industrial Ordinary	478.8 (13th)		445.7 (4th)	
All-Share	265.72 (15th)		247.30 (4th)	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	1	81	9	135	223	97
Corpns. Dom. & Foreign Bonds	5	10	51	35	32	263
Industrials	288	190	920	1,480	943	4,567
Financial and Property	199	51	245	783	401	1,293
Oils	19	8	16	86	48	81
Plantations	5	4	19	38	27	75
Mines	91	18	41	322	177	351
Others	58	30	74	170	262	374
Totals	666	392	1,376	3,049	2,113	7,001

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Feb. 29, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Feb. 28 Index No.	Wed., Feb. 27 Index No.	Tues., Feb. 26 Index No.	Mon., Feb. 25 Index No.	Year ago (approx.) Index No.	1979-80 High	1979-80 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	248.75	+0.4	17.63	6.31	7.15	247.78	244.84	241.43	241.11	242.09	287.87 (4/5/79)	202.79 (15/11/79)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (27)	242.90	−0.1	16.34	6.46	7.81	243.26	239.61	234.31	235.29	216.08	270.52 (8/5/79)	194.00 (3/1/80)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (29)	377.28	+0.7	25.13	6.45	4.94	374.57	369.42	364.94	363.66	359.91	451.74 (4/5/79)	313.00 (3/1/80)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (15)	637.27	+0.7	12.66	3.89	10.52	632.87	632.35	626.27	626.74	588.78	698.53 (4/5/79)	515.49 (15/11/79)	698.53 (4/5/79)	84.71 (25/6/62)
5	Engineering Contractors (11)	298.58	+1.2	24.80	8.57	5.13	294.92	293.63	292.16	293.27	368.59	429.70 (4/5/79)	267.59 (23/11/79)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	170.81	−0.3	20.11	7.64	6.17	171.38	167.96	166.09	165.62	184.51	211.08 (8/5/79)	138.29 (26/11/79)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	171.28	+1.6	20.32	9.04	5.85	168.62	165.30	161.80	159.64	163.28	192.29 (4/5/79)	135.20 (20/11/79)	192.29 (4/5/79)	49.65 (6/1/75)
11	CONSUMER GOODS (DURABLE) (50)	226.32	+0.3	15.76	5.40	7.81	225.66	223.19	220.47	220.23	219.10	259.88 (8/5/79)	184.82 (3/1/80)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (15)	322.08	+0.6	11.95	4.00	10.74	320.19	316.51	311.97	310.34	288.37	358.49 (11/9/79)	247.36 (3/1/80)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	112.31	+0.1	27.15	9.76	4.40	112.24	110.90	108.79	110.97	159.35	180.81 (8/5/79)	108.79 (26/2/80)	263.22 (4/5/72)	65.92 (17/12/74)
14	Motors and Distributors (21)	111.93	−0.5	23.81	8.33	4.93	112.46	111.43	110.89	111.50	119.77	135.66 (4/5/79)	96.54 (15/11/79)	170.59 (15/1/69)	19.91 (6/1/75)
21	CONSUMER GOODS (NON-DURABLE) (173)	225.11	—	18.00	6.77	6.85	225.12	222.54	220.86	219.02	223.34	269.81 (4/5/79)	200.15 (3/1/80)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	272.87	+0.4	16.37	6.40	7.17	271.76	268.43	268.34	264.37	234.17	306.13 (4/5/79)	220.79 (16/2/79)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (5)	304.69	+0.1	17.81	6.08	6.93	304.29	296.73	293.41	290.96	317.57	352.29 (29/3/79)	279.15 (2/1/79)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	308.27	+0.2	17.97	6.81	6.95	307.55	301.81	298.34	298.49	298.80	374.32 (3/5/79)	266.58 (12/2/79)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturing (19)	201.30	−0.4	20.27	7.24	6.10	202.10	200.37	199.93	200.24	212.09	236.75 (4/5/79)	184.92 (14/11/79)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (15)	306.96	−0.8	13.53	4.89	8.83	309.43	306.58	304.00	300.75	253.69	332.56 (8/5/79)	223.66 (12/2/79)	332.56 (8/5/79)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	444.11	−0.1	22.72	6.76	6.01	444.77	444.73	444.42	443.26	401.23	492.56 (8/5/79)	358.73 (16/11/79)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	132.63	—	22.45	8.56	5.73	132.69	131.29	130.67	129.05	143.65	155.12 (4/5/79)	111.30 (3/1/80)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (43)	227.12	+0.2	13.54	5.01	9.54	226.56	223.55	220.59	218.05	208.00	273.48 (4/5/79)	186.40 (12/2/79)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (24)	132.24	+0.2	27.25	11.60	4.64	131.96	130.38	129.78	129.79	178.01	191.61 (28/3/79)	123.65 (3/1/80)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	207.23	−0.3	28.10	11.35	4.04	207.81	207.99	207.09	204.10	260.12	294.86 (12/3/79)	192.86 (3/1/80)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	37.70	−2.2	39.89	13.46	3.09	38.55	38.84	38.76	38.61	93.75	96.89 (29/3/79)	37.70 (29/2/80)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (97)	213.21	+0.2	14.92	6.75	8.11	212.89	209.82	208.87	208.13	206.64	234.76 (8/5/79)	176.67 (15/11/79)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (17)	313.74	−0.6	15.66	7.52	7.37	315.59	309.20	307.56	308.94	297.05	329.77 (4/5/79)	255.79 (15/11/79)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	216.54	+0.6	11.76	5.91	10.37	215.25	211.74	212.05	210.72	253.93	285.48 (28/3/79)	189.93 (23/11/79)	291.13 (14/9/78)	189.93 (23/11/79)
44	Office Equipment (6)	123.06	+0.6	17.18	6.64	6.77	122.34	120.31	118.63	118.57	134.81	153.70 (29/3/79)	97.28 (7/12/79)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	490.24	+0.5	10.80	6.59	11.82	487.76	481.91	477.97	473.11	423.71	498.47 (7/6/79)	399.90 (26/11/79)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (57)	251.00	+0.5	16.08	6.44	7.88	249.75	247.78	246.75	244.46	224.05	273.91 (8/5/79)	202.29 (16/11/79)	273.91 (8/5/79)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (492)	235.58	+0.2	16.99	6.54	7.27	235.21	232.33	230.29	229.17	230.79	273.01 (4/5/79)	201.69 (15/11/79)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	830.82	+1.1	13.52	5.74	7.99	821.81	823.84	805.42	817.46	583.89	831.08 (13/2/80)	497.67 (24/1/79)	831.08 (13/2/80)	87.23 (29/5/62)
59	500 SHARE INDEX	282.45	+0.4	16.23	6.37	7.42	281.43	278.90	275.60	275.47	259.70	308.20 (4/5/79)	237.06 (12/2/79)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (117)	200.28	+0.1	—	5.71	—	200.17	198.32	197.05	196.62	187.70	221.25 (4/5/79)	164.54 (15/11/79)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	226.60	−0.9	38.39	6.28	3.20	228.69	228.48	227.77	232.16	231.22	265.89 (4/5/79)	195.51 (1/1/79)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	215.86	+1.1	—	9.25	—	213.44	226.02	223.56	224.12	233.68	271.93 (3/7/79)	194.95 (26/11/79)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	188.61	−0.3	17.63	5.04	7.39	189.10	185.49	185.35	183.27	171.40	210.97 (8/5/79)	142.32 (15/11/79)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	176.26	−0.7	—	5.97	—	177.53	176.62	172.02	169.72	135.72	179.94 (4/5/79)	126.08 (12/2/79)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (9)	128.61	−0.4	—	7.64	—	129.08	126.28	126.26	125.75	130.80	157.45 (4/5/79)	107.71 (14/11/79)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	291.84	−0.3	16.89	6.72	8.51	292.75	290.61	287.64	283.00	318.46	352.82 (29/3/79)	232.59 (30/7/79)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	105.71	+0.9	—	5.72	—	104.74	104.38	103.60	103.30	83.18	111.51 (8/5/79)	74.91 (12/2/79)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (44)	379.40	+1.6	3.53	2.91	40.59	373.60	367.90	365.63	359.85	322.18	385.73 (8/10/79)	267.26 (2/1/79)	385.73 (8/10/79)	56.01 (20/4/65)
70	Miscellaneous (9)	132.73	+0.7	15.65	6.84	8.39	131.82	131.69	131.26	131.54	117.83	137.43 (8/5/79)	109.05 (12/2/79)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	227.63	+0.6	—	5.69	—	226.22	224.47	223.66	223.79	213.96	248.31 (26/4/79)	176.91 (15/11/79)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	219.65	+0.1	10.49	4.03	11.57	219.45	217.13	217.09	213.25	125.06	230.07 (13/2/80)	101.26 (2/1/79)	230.07 (13/2/80)	66.31 (30/9/74)
91	Overseas Traders (20)	418.95	+0.3	12.10	6.42	10.12	417.66	414.82	407.84	403.67	345.57	437.34 (13/2/80)	292.50 (2/1/79)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	263.81	+0.3	—	6.15	—	262.98	260.62	257.97	257.58	240.21	283.82 (4/5/79)	218.89 (12/2/79)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Feb. 29	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	99.76	−0.36	—	2.50
2	5-15 years	103.35	−0.30	—	2.00
3	Over 15 years	107.57	−0.34	—	1.99
4	Irredeemables	124.54	−0.93	—	1.45
5	All stocks	103.34	−0.34	—	2.14

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Fri., Feb. 29	Thurs., Feb. 28	Year ago (approx.)	1979-80 Highs	1979-80 Lows
1	Low	5 years	13.07	12.99	9.36	13.07 (29/2/80)	8.80 (8/3/79)
2	Coupons	15 years	12.90	12.85	10.97	13.31 (30/12/79)	[illegible]
3		25 years	12.60	12.85	11.69	13.29 (30/12/79)	10.16 (17/9/79)
4	Medium	5 years	15.09	14.93	11.78	15.33 (30/12/79)	10.58 (2/4/79)
5	Coupons	15 years	14.48	14.43	12.29	14.95 (30/12/79)	11.22 (4/5/79)
6		25 years	14.20	14.20	12.51	14.65 (30/12/79)	11.52 (4/5/79)
7	High	5 years	15.37	15.07	12.19	15.76 (30/12/79)	10.94 (4/5/79)
8	Coupons	15 years	14.94	14.82	12.76	15.37 (30/12/79)	11.55 (4/5/79)
9		25 years	[illegible]	[illegible]	12.89	[illegible]	11.66 (4/5/79)
10	Irredeemables		11.85	11.73	11.07	12.90 (30/12/79)	10.11 (10/4/79)

		Fri., Feb. 29 Index No.	Yield %	Thur. Feb. 28	Wed. Feb. 27	Tues. Feb. 26	Mon. Feb. 25	Fri. Feb. 22	Thur. Feb. 21	Wed. Feb. 20	Year ago (approx.)	1979-80 Highs	1979-80 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	51.52	14.69	50.85	50.84	50.83	50.77	51.01	51.02	51.06	56.61	61.88 (4/5/79)	49.13 (2/1/80)	113.45	57.06
16	Investment Trust Prefs. (15)	48.15	15.78	47.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	61.44	14.57	61.50	61.58	61.65	61.85	61.58	61.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Miscellaneous Financial	31/12/70	128.06
Other Groups	31/12/74	63.75	Food Manufacturing	29/12/67	114.13
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Mechanical Engineering	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20			

† Redemption yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy. NAME CHANGE: Clydesdale Investment has changed its name to Murray Clydesdale Investment Trust.

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (85)

CANADIANS (2)
Gulf Oil of Canada, Imperial Oil
BANKS (1)
Arbuthnot Latham
BUILDINGS (3)
Meyer (Mont. L.), Ward Holdings, Ruberoid
STORES (3)
Harris Queensway, Lee Cooper, Henderson-Kenton
ELECTRICALS (5)
Crystalate, *Electrocomponents*, Decca A, Wholesale Fittings, Dubilier
ENGINEERING (2)
Elliott (B.), Midland Inds.
† FOODS (2)
Assocd. Fisheries, Unigate
HOTELS (1)
Epicure
INDUSTRIALS (10)
Granada A, Press (Wm.), Gripperrods, Rooner, Howard Tenens, Do. A, ICL, Tebbitt, Johnson Matthey, United Carriers
LEISURE (2)
Glasgow Pavilion, *Webb (Joseph)*
NEWSPAPERS (1)
E. Midland Allied A
PROPERTY (10)
Apex Props., Great Portland, Bradford Props., Jermyn Inv., Churchbury Ests., Lond. & Provl. Shop, Corn Exchange, MEPC, Estates Prop. Inv., *Mucklow (A. & J.)*
SHIPPING (2)
Fisher (J.), Hunting Gibson
TRUSTS (6)
Atlantic Assets, Hampton Trust, Ch. Islands Inc., *Lamont*, Stanhope Gen., Lond. Merchant Secs.
OVERSEAS TRADERS (1)
Lonrho
OIL & GAS (7)
Cambridge Pet., Siebens (U.K.), Candecca, Ultramar, LASMO, Do. 7pc Cnv., Santos
MINES (27)
Durban Deep, Welkom, Bracken, Western Holdings, E.R.G.O., General Mining, Grootvlei, Gold Fields of S.A., Winkelhaak, U.C. Invs., Doornfontein, Union Corp., *Hartebeest*, Vogels, Kloof Gold, De Beers Dfd., Zandpan, Impala Platinum, F.S. Geduld, Canada Northwest, Harmony, Pacific Copper, President Brand, Amal. Nigeria, President Steyn, Messina, St. Helena

NEW LOWS (14)

BRITISH FUNDS (1)
Treas. 14pc 1996 (£20 paid)
AMERICANS (4)
City Inv. Cum.Pf., Transamerica, Mfrs. Hanover, Woolworths
BANKS (1)
Algemene
ELECTRICALS (1)
Philips' Lamps
ENGINEERING (3)
Greenbank, Porter Chadburn, Habit Precision
INSURANCE (2)
Ennia UK 9pc Cnv., Travelers
LEISURE (2)
Boosey & Hawkes, Campari Int

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 18	Feb. 29	May 29	Jun. 9
Mar. 3	Mar. 14	Jun. 12	Jun. 23
Mar. 17	Mar. 28	Jun. 26	Jul. 7

For rate indications see end of Share Information Service

Calls were made in LRC, UDT, Hawley Leisure, BP, Carpets International, BSR, *Lonrho, Bridon, John Brown*, Burton Warrants, Debenhams, Montague L. Meyer, Myson, Coral Leisure, Carless Capel, Plessey, Hongkong and Shanghai Banking, George Ewer, Estates and Agency, Siebens (UK), Wilkinson Match and Britannia Arrow. A put was dealt in Dunlop, while doubles were arranged in De Beers Deferred and George Ewer.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
50	F.P.	—	140	115	Berkeley Exploration	128	−4				
£1	F.P.	—	100	100	Child Health Res'ch. 10	[illegible]					
180	F.P.	[illegible]	108	[illegible]	[illegible]	[illegible]					
10	F.P.	28/2	12	11½	Keep Inv. Trust 5p	11½	+1				
—	F.P.	[illegible]	[illegible]	[illegible]	Lon.Merc't Secs. Defd	[illegible]					
—	F.P.	[illegible]	34	29	Roche Plant 10p	34		1.25	2.7	5.8	7.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	—	57p	35p	Aurora 3.85% Cum. Pref.	36½p	
[illegible]			19pm	10pm	Clifford (Chas.) 13% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Falkstowe Dock 9¼% Cum Red Pref.	[illegible]	
[illegible]	F.P.	[illegible]	111	[illegible]	Globe Inv Tst 11¼% Conv Uns Ln '90-95	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hewitt (J.) 10% Cum. Pref.	[illegible]	
[illegible]			[illegible]	[illegible]	Mid Kent Water 9% Red Pref. 1986	[illegible]	
[illegible]	F.P.	[illegible]	97	96	Rk'm'nw'h & Uxbridge Wtr. 9%RdPf 1986	96	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −
$23.50	Nil	—	15pm	10pm	Bank of Montreal	10pm	[illegible]
26	Nil	—	61pm	35pm	Cluff Oil	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Edwards (Louis C.)	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Elson & Robbins	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hammerson Prop. A	[illegible]	
60cts	Nil	—	[illegible]	[illegible]	Pancontinental	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Paringa	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Premier Cons. Oilfields	[illegible]	
[illegible]	Nil	—	[illegible]	[illegible]	Rand London Coal Units	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. || Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. ‡ Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Lloyds Tst. O'seas [illegible]
Lloyds Trust Gilt [illegible]

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneva 11 (Switzerland)
Lloyds Int. Growth [illegible]
Lloyds Int. Income [illegible]

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588
Atlantic Fe [illegible]
Australian [illegible]
Gold Ex.Acc [illegible]
Island [illegible]
(Accum Units) [illegible]

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281
Midland Drayton Gilt [illegible]

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-588 6464
Apollo Fd. [illegible]
Japfest. [illegible]
117 Group [illegible]
117 Jersey [illegible]
117 Jersey [illegible]

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
*Hope St. Fd. [illegible]
*Murray Fund [illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd.
45 La Motte St., St. Helier, Jersey 0534 36241
High income Fund [illegible]
Equity Fund [illegible]

Negit S.A.
10a Boulevard Royal, Luxembourg
NAV Feb. 22 [illegible]

Negit Ltd.
Bank of Bermuda Bldgs., Hamilton, Brmda.
NAV Dec. 19 [illegible]

Phoenix International [illegible]

Providence Capitol Life Ass. (C.I.) [illegible]

Quest Fund Mngmnt. (Jersey) Ltd. [illegible]

Richmond Life Ass. Ltd. [illegible]

Rothschild Asset Management (C.I.) [illegible]

Rothschild Asset Mgt. (Bermuda) [illegible]

Royal Trust (C.I.) Fd. Mgt. Ltd. [illegible]

Save & Prosper International [illegible]

Schlesinger International Mngt. Ltd. [illegible]

Schroder Life Group [illegible]

J. Henry Schroder Wagg & Co. Ltd. [illegible]

Sentry Assurance International Ltd. [illegible]

Singer & Friedlander Ldn. Agents. [illegible]

Standard Chartered Intl. Bd. Fd. [illegible]

Stronghold Management Limited [illegible]

Surinvest (Jersey) Ltd. [illegible]

Surinvest Trust Managers Ltd. [illegible]

TSB Unit Trust Managers (C.I.) Ltd. [illegible]

TSB Gilt Fund Managers (C.I.) Ltd. [illegible]

Tokyo Pacific Holdings N.V. [illegible]

Tokyo Pacific Hldgs. (Seaboard) N.V. [illegible]

Tyndall Group [illegible]

Unilife Assurance (Overseas) Ltd. [illegible]

Union-Investment-Gesellschaft mbH [illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd. [illegible]

van Cutsem & Associates Ltd. [illegible]

S. G. Warburg & Co. Ltd. [illegible]

Warburg Invest. Mngt. Jrsy. Ltd. [illegible]

Wardley Investment Services Ltd. [illegible]

World Wide Growth Management [illegible]

Wren Commodity Trust [illegible]

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

Continued on previous page

HINE
connoisseurs' cognac

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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160	78½	Anglo-Dominion	156	+4	—	—	—
97	54	Barymin	92	−3	—	—	—
14½	10	Burma Mines 17½p	14½	......	—	—	—
502	170	Cons. Murch. 10c.	480	+30	Q100c	ϕ	11.9
585	280	Northgate C$1	490	......	—	—	—
492	226	R.T.Z.	445	......	†21.5	3.4	3.7
31	12	Robert Mines	24	+1	—	—	—
65	26	Sabina Inds. C$1	45	−1	—	—	—
880	470	Tara Expln. $1	620	+20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ✦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ψ Excluding a final dividend declaration.
- ✤ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 20

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

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MAN OF THE WEEK

Control of the Bomb

BY DAVID FISHLOCK

THE TWO-YEAR International Nuclear Fuel Cycle Evaluation which ended on Wednesday has been called the most comprehensive evaluation of a technology ever undertaken. *But it is the* kind of evaluation we had better get used to, says chairman of INFCE, Professor Abram Chayes. Other up-and-coming technologies which imply wholesale interference with the sovereign rights of many nations include satellite broadcasting, weather control, ocean mining and dumping—all proliferation problems in their own ways.

Professor Chayes has been *de facto* chairman of INFCE since its first meeting in Washington late in 1977. By an irony of the diplomatic complexities of this immense study of nuclear weapon proliferation, initiated by President Carter in London earlier that year, the professor was voted permanent chairman only last Saturday

Professor Abram Chayes
No stranger to government or technology—based diplomacy

Chayes, 57, from Harvard Law School, is no stranger either to Government or to technology-based diplomacy. His wife holds the most senior post of any woman in the Pentagon. He himself, while with the State Department during the Kennedy Administration, negotiated the complex Intelsat satellite communications agreement.

But the gravel-voiced, good-humoured lawyer leaves no doubt how much he has enjoyed INFCE's nine full-scale sessions in the company of some of the world's leading nuclear scientists. "You don't often see this kind of commitment to a job or the willingness to see the other fellow's point of view." He reckons it has earned him at least six firm new friends.

What has INFCE achieved? Chayes has no doubt that it will be counted a success: even *though (or because) it failed to* produce the outcome the Carter Administration was seeking to justify its new domestic nuclear policies in 1977. As he sees it, it is not a question of who has won. "You find yourself adjusting both your own position and the definition of the problem, to keep the whole process going."

INFCE has demonstrated clearly that proliferation, grave an issue as it is, cannot be solved through technical decisions. It is essentially a political problem. What Professor Chayes has done is to organise the study and its report in such a way that the politicians now have a sound technical and analytic base for their decisions.

But the great thing he *believes is that 46 nations, great* and small, participated directly in the evaluation. Of these, 22 voluntarily provided co-chairmen for the eight working groups. No-one who wanted a role was excluded. Yet there was no minority report at any stage of the study.

Chayes will not be drawn on what he sees as INFCE's most important conclusions. They will differ from country to country, he says. But he muses reflectively on the unanimity of view that recycling plutonium through present-day reactors—as many countries were proposing to do when the study started—has been shown clearly as making no economic sense. Plutonium is fuel for the fast *reactor.*

He also believes INFCE has given a tremendous vote of confidence to the International Atomic Energy Agency in Vienna, watchdogs of the Non-Proliferation Treaty. If it seizes the opportunity at next week's Board meeting, it could take the leadership for the crucial political phase of negotiations *that must follow the finish of* INFCE.

And INFCE came as close to endorsing the idea of storing the world's surplus plutonium under international control as to anything else, Professor Chayes adds. He believes that this could prove the key to success in the months of diplomatic negotiation to come.

Thorn's £25.5m bid for French company fails

BY TERRY DODSWORTH IN PARIS AND JOHN LLOYD IN LONDON

THORN Electrical has abandoned a £25.5m bid to take over Locatel, France's largest television rental company, following a successful blocking action by the French Government.

Locatel is to be acquired instead by two of France's largest electronics companies, CIT-Alcatel and Thomson-CSF, offering exactly the same price—FFr450 a share—as Thorn did *eight months ago.*

The bid was referred to the French Monopolies Commission at that time. In the intervening period, the French Government is understood to have persuaded CIT and Thomson to make a joint bid for the rental company.

Ironically, CIT announced a £30m bid for the reprographics division of Roneo Vickers of the UK earlier this week. The Office of Fair Trading is examining the bid—as it does for all bids over £5m—to determine whether or not it should be referred to the UK's Monopolies Commission. Roneo Vickers has said it did not expect the CIT bid to *be referred.*

Locatel has some 90 outlets, sales of £25.9m last year, and about 200,000 colour and black and white seas rented out. Television rental is on a much smaller scale than in the UK, though it is expected to grow rapidly in the 1980s as more advanced home entertainment systems are offered.

French disapproval of Thorn has arisen on two counts. First, it felt that it might have turned Locatel into a large scale importer of Japanese-made television sets and undermined a domestic indsutry which is seen as an important growth sector.

Second, the French argue that Thorn's presenc in the market might have hindered them in their efforts to develop viewdata or similar systems.

Both CIT and Thomson are deeply involved in these developments which come under close surveillance by the Government.

The announcement by the two companies yesterday made it *clear that they are aming to* expand Locatel's TV rental activities into the growing market for home and office-based information retrieval systems, based on a link between the telecommunications network and the television screen.

It is felt that some of this equipment might be too expensive for cash purchases, and could instead be sold through the Locatel network, which would be considerably expanded.

CIT and Thomson will immediately receive a 30 per cent shareholding from the Euro-France subsidiary of the Lazard banking group. Other shareholders will be offered the same price, which compares with a market rate of *FFr 266* prevailing at the time of Thorn's offer.

Thorn last year acquired a small French rental subsidiary—Video Television—which it is now likely to expand.

CIT-Alcatel Roneo deal, Page 15

Bank of England extends help to money markets

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK of England has had *to extend its help to the money* markets for another month in an effort to contain the strong upward pressure on interest rates.

This trend was highlighted yesterday by the second rise this week in the rate of interest paid on Treasury Certificates of Tax Deposit, up ½ a point to a record 17 per cent.

Similarly, the U.S. banks in London raised their base lending rates by ½ a point to 17½ per cent as a result of the higher cost of money. This has also led to a rise of a full point to 18 per cent in the Finance Houses Association's base rate, used for calculating the cost of variable rate borrowings.

These pressures have intensified *over the past week* in response to continued shortage of liquidity in the monetary system caused largely by heavy gilt-edged sales and large tax payments. This has put a further squeeze on the banks, but a rise in the cost of overdrafts remains unlikely in the immedate future, at a time when the clearers are announcing record profits.

The Government is also anxious to prevent any rise in interest rates charged to the public on the view that it would be wrong for interest rates to take the whole burden of tight monetary policy so soon before the Budget.

Consequently, the Bank yesterday announced that the recall of £500m of special deposits from the banking system, originally due next Friday, will be postponed until May 14.

The Bank said the pressures were expected to continue for some time and that postponement was a "technical operation designed solely to smooth out these pressures. It implies no relaxation of the policy of continuing monetary rstraint."

Nevertheless, if the shortage of funds continues—and £700m of Petroleum Revenue Tax is payable on Monday—the banks may be forced to consider raising their base rates. For example, over the past 10 days, three-month interbank rate—a key influence on the cost of part of the banks' deposits—has risen by ½ point to $18\frac{7}{16}$ per cent.

Mergers check on Armitage bid

BY ANDREW FISHER

BLUE CIRCLE Industries' £33m bid for Armitage Shanks, the sanitary ware company, has been referred to the Monopolies *and Mergers Commission. This* surprise move knocked 24p off Armitage's shares, which closed yesterday at 77p.

Both companies said they regretted the reference which came just as Blue Circle, the largest cement group, gained control of 62 per cent of the Armitage equity.

The bid now automatically lapses, and Blue Circle must decide whether to drop its take over attempt altogether or await the outcome of the merger probe, lasting up to six months, before bidding again.

Armitage Shanks is the last major independent sanitary ware maker, and the largest in *the industry, with about 30 per* cent of the market.

Its largest shareholder, with over 28 per cent, of the shares, is the Lebanese-controlled Ceramics Investments, which declined to accept the bid because it thought it did not do justice to Armitage's potential.

It appears that the merger reference was made partly because the Government was concerned as to whether conglomerate mergers between companies in different businesses were in the public interest.

Also prompting the action by Mr. John Nott, Secretary for Trade, following the Office of *Fair Trading's* recomendation, was the feeling that neither the cement nor the ceramics sanitary ware industries showed any great evidence of a thrusting competitive spirit.

The Monopolies Commission will thus have to investigate whether it is desirable that the largest company in one industry should take over the largest in another.

The slide in Armitage Shanks shares lowered the company's market valuation by more than £7.5m, to £24.25m. Blue Circle's shares gained 6p to 314p.

£100m fuel scheme to aid poor

BY ELINOR GOODMAN, LOBBY STAFF

THE Departments of Energy and Social Security are expected to put forward proposals to the Treasury shortly for a £100m fuel discount scheme to provide selective assistance for the poor in paying various kinds of heating bills. It might also include additional help towards paying *for energy-saving measures, like* insulation.

The scheme, now being discussed within the departments, looks like being considerably more ambitious than the package the Government introduced last November to provide help with this winter's fuel bills. It would also be more extensive than the Labour Government's discount *scheme,* in that it would not be restricted just to electricity. At the same time it would be more selective in that help would be made available only to those who were considered to be in real need.

It is by no means certain that the scheme will get the go-ahead. The Treasury may well argue that it is too expensive and insist that the £100m proposed for it be cut. But the Government promised in January to *introduce some new fuel aid* scheme when it announced the two-stage 29 per cent increase in gas prices planned for this year. There is growing Conservative back-bench pressure for the scheme to be made a substantial one.

The best way for the Government to begin to make up for the political damage caused by *its intervention on gas prices,* it is argued, would be for Ministers to introduce a discount scheme which demonstrated that they were concerned about the poor.

One possibility is that there will be a short-term package for the coming financial year to be followed at a later date by more permanent measures for helping poor people to pay energy bills.

Ministers are also consider*ing a change in the way the* large surplus profits of British Gas should be handled. At present, British Gas's surplus profits are paid into the National Loan Fund. If the Government were to cream off British Gas's surplus profits in the form of some levy, it might make it easier for the corporation to withstand its unions' wage claims. Already the unions are arguing that since the corporation is going to make such a large profit, there is no reason why it should not be able to meet their demands.

Continued from Page 1

Faltering start

yesterday that London dockers would be heeding that call.

But the seven craft unions and the General and Municipal Workers Union may only be sending observers to the Tuesday conference.

The BSC is pinning its hopes of a break in the dispute on a ballot, which it has organised next week to ask the strikers whether they want a further vote on the "final" 14.4 per cent pay offer.

But the ISTC and NUB have told their 100,000 members in British Steel to ignore or spoil the voting slips now being posted to their home addresses. Mr. Sirs seemed sure yesterday that the vote would be a fiasco, but said that, if it went BSC's way, he might conduct his own ballot, making it a test of workers' confidence in the BSC management, and possibly including the pay question as well.

The way in which the ballot is being attacked by the unions suggests they are intent on securing the dismissal of Mr. Bob Scholey, BSC chief executive.

Last night, Mr. Scholey described the union's propaganda against him as "slightly scurrilous."

He said the ballot would be the determining factor and, although repeating his forecast that over 50 per cent would respond, would not enlarge on the BSC's future tactics. The Corporation would consider mediation, but preferred arbitration.

Mr. Scholey said he detected a "greater realism at plant level than at national level." He added: "I am quite content to await the ballot and see what happens."

Deng tightens hold on China

By Colina MacDougall in London and Tony Walker

VICE-PREMIER Deng Xiaoping yesterday consolidated his hold on China's leadership with the dismissal of the top four remaining pro-Mao members of the Communist Party's Polit*bureau. Their removal points to* a continuation of moderate economic policies and a smooth transition of power when the present leaders retire.

Liu Shaoqi, a former Head of State and Mao's chief victim in the Cultural Revolution, has been rehabilitated in a move of symbolic importance. Four younger men have been promoted to new party rank, and a tough new line towards dissent is also revealed by the announcement of forthcoming changes in the country's constitution.

The moves were announced at the end of the party's central committee meeting which ended a week-long session in Peking yesterday.

The four, Wang Dongxing, Chen Xilian, Wu De and Ji Dengguei, have long been known to be in trouble and have been frequently attacked in wall-posters. Wang was for many years Mao's bodyguard, Chen until a month ago was nominally commander of the Peking military region. Wue De was the mayor of Peking, while Ji Dengguei, believe dto be a per*sonal friend of Mao, rose to the* top from provincial obscurity in the Cultural Revolution.

The promotions are all of men believed to be strongly loyal to Deng and about 10 years his junior. The party secretariat which functioned from 1956 to the start of the Cultural Revolution under the secretary-generalship of Deng, has been reinstituted. Deng's former post has gone to Hu Yaobang, who has recently begun to look more and more like a future party chairman.

Hu, and the up-and-coming Zhao Ziyang, have both been promoted to the politbureau's standing committee, the tiny ruling group which dominates China.

The other promotions, of Peng Chong, first secretary of Shanghai, and Wan Li, *first secretary* of the Anhui province in eastern China, both of whom are believed to be close associates of Deng, are also to the party secretariat.

This consolidation of Deng's power and that of the other moderates is apparently being accompanied by a restriction of personal freedoms. The plenary session said it would propose to the National People's Congress (China's parliament, which is due to meet later this year) that the right to free speech and putting up wall posters should be elinimated from the constitution.

Weather

UK TODAY

MAINLY DRY. Bright spells. Showers likely in north and N.W. Scotland.

London, Rest of England, S. Wales, Channel Ils., Glasgow, Edinburgh

Mainly dry. Sunny spells. Max. *10C (50F).*

N. Wales, Lakes, S.W. Scotland, N. Ireland

Rather cloudy. Some drizzle. Max. 9C (48F).

N.W. and N.E. Scotland, Orkney, Shetland

Sunny intervals. Scattered showers. Max. 7C (45F).

Weekend outlook: Mostly dry.
March outlook: Mainly mild.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	13	55	Locarno	S	8	46
Algiers	S	17	63	London	F	11	52
Amsdm.	C	7	45	Luxmbg.	C	2	36
Athens	C	5	41	Luxor	S	23	73
Barclna.	S	14	57	Madrid	S	9	48
Bairut	F	14	57	Majorca	S	14	57
Belfast	C	8	46	Malaga	C	16	61
Belgrd.	C	1	34	Malta	S	14	57
Berlin	F	5	41	M'chstr	C	8	46
Biarritz	F	5	41	Melbne.	C	18	64
Bmghm.	C	8	46	Mex. C.	C	17	63
Blackpl.	C	7	45	Milan	S	9	48
Bordx.	S	5	41	Mntreal	Sn	−17	1
Boulgn.	C	7	45	Moscow	S	−4	27
Bristol	C	9	48	Munich	Sn	−1	30
Brussels	C	7	45	Nairobi	S	25	78
Budpst.	Sn	−1	30	Naples	F	11	52
B. Aires	S	32	90	Nwcstl.	C	11	52
Cairo	S	18	64	N. York	S	−8	17
Cardiff	C	11	52	Nice	S	13	55
Cas'b'ca	F	16	61	Nicosia	S	14	57
Cape T.	S	22	72	Oporto	F	13	55
Chicago	Sn	−10	14	Paris	C	7	45
Cologne	C	5	41	Perth	S	34	93
Cpnhgn.	S	4	39	Prague	C	3	37
Corfu	S	9	48	Rhodes	C	10	50
Dublin	C	8	46	Rio J'o	S	32	90
Dbrvnk.	S	5	41	Rome	S	14	57
Ednbgh.	F	10	50	Salzbg.	Sn	0	32
Faro	C	11	52	Singapr.	S	30	86
Florence	F	10	50	Stckhlm.	F	2	36
Frankft.	C	5	41	Strasbg.	C	3	37
Funchal	F	15	59	Sydney	S	24	75
Geneva	C	1	34	Tangier	C	15	59
Gibrltr.	C	15	59	Tehran	S	5	40
Glasgow	C	9	48	Tel Aviv	F	14	57
G'nsey	C	7	45	Tenerife	S	14	57
Helsinki	C	0	32	Tokyo	C	12	54
H. Kong	C	19	66	Toronto	S	−18	−3
Innsbrk.	F	1	34	Tunis	F	16	61
Invrnss.	F	10	50	Valencia	F	14	57
I.o.Man	C	9	48	Venice	S	6	43
Jersey	C	6	43	Vienna	Sn	1	34
Jo'burg	S	20	68	Warsaw	C	−2	28
L. Plms.	S	18	64	Zurich	S	2	36
Lisbon	C	9	48				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

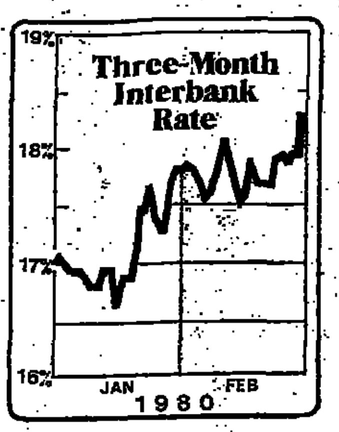
THE LEX COLUMN

Time runs out for Patent Shaft

For any but the punters who bought Berkeley Exploration shares at the issue price of 50p and saw them trade at 128p, it has been a pretty dull week in the stock market. And the stags of Berkeley had their applications scaled down so severely (the issue was 40 times over-subscribed) that the loss of interest on the funds with which they applied made quite a hole in the capital gain.

The money market has remained extremely tight; yesterday there was a call of £100m or so on Exchequer 13¼ per cent 1983, and on Monday £700m of petroleum Revenue tax will be paid. Despite the *postponement of next week's* £500m recall of special deposits, the banks are still having trouble with the corset controls, and yesterday some U.S. banks in London were raising the cost of their lending, perhaps to drive the oil companies to borrow elsewhere to make their tax payments. Pressure on the clearing banks' base rates, too, remains intense.

Index fell 2.0 to 467.1



Laird Group

For sale: two electric arc furnaces, as new. One careful owner, cost £11m, no reasonable offer refused. Unfortunately, the Laird Group has found no takers for its Patent Shaft Steel Works, which accordingly is to close at a cost of nearly 1,500 jobs and *after tax provisions of maybe* £10m to £12m.

What makes this closure especially sad is that it follows substantial investment in modern plant during recent years. In 1973, Laird was making reasonable returns from plate steel produced by the open hearth process on plant which had been fully depreciated and needed replacing. Its decision to install new furnaces was based on the assumption that it would be able to secure the higher volume needed to cover increased capital costs. But the world had changed by the time the plant came into production. Faced by falling economic growth rates around the world, a slump in demand from the shipbuilders, and rising output from developing countries, plate steel makers began a desperate search for new markets. As UK tariff barriers were dismantled, imports took about a quarter of the home market, leaving British Steel with nearly two-thirds and Laird with the rest.

Patent Shaft would have gone down before now if it had not switched to the electric arc *process, which is fed by scrap* metal. Although it has always run well below capacity, it was able to make small profits until 1979 thanks to falling input costs. But the business was not making enough to finance its *capital needs, and when it went* into the red during 1979 its days were numbered.

Laird blames worldwide overcapacity for its failure, rather than British Steel or the importers. Although it has occasionally been critical of the nationalised industry's pricing strategy, UK plate prices have been higher than those in Continental Europe. When everyone is losing their shirt, it is the small company which is not involved in integrated steel production that cracks first.

The City, in its perverse way, regarded the Laird announcement as "good" news, and the shares rose 2p to 90p yesterday. The closure could knock 20p or 25p per share of Laird's net asset backing (124p per share at the last count). But the rest of the business is going well. Although the steel side swung from profits of £1.8m to losses of around £2m between 1978 and 1979, overall pre-tax profits may only have fallen from £11.1m to perhaps £10.5m or so—and the setback should be more than recovered in 1980. The cash costs of the closure will be met out of the liquidation of steel stocks, and the damage to the balance sheet should be repaired quite soon—especially if compensation terms for nationalisation can be settled in a year or so.

Profits on Laird's non-steel activities rose tenfold between 1974 and 1978, which is quite a growth record to support a market capitalisation of £43m. *All the same, the closure of* Patent Shaft is not a cause for celebration.

Blue Circle

The Office of Fair Trading's decision to refer Blue Circle's bid for Armitage Shanks to the Monopolies Commission is strangely inconsistent. The bid may not be the height of industrial logic, but it certainly does not threaten to create any monopoly; the companies involved have simply become party to a test case to allow the Government to examine its attitude to the conglomerate merger.

The theoretical argument against such mergers has never been entirely clear. Is an enlarged Blue Circle supposed to have more muscle in enforcing higher cement prices, or is the danger that it might fund an attempt by Armitage to undercut its competitors and upset the delicate balance of the sanitaryware market?

Both companies have dominant positions in their own *fields, and the cement industry* in particular is not renowned for its competitive vigour—the cement companies are all implementing a 24 per cent price rise from today. There may be a case for ths industry, or indeed the sanitaryware industry, to be investigated. But that is not an argumen against this particular merger.

It is difficult to avoid the conclusion that the OFT is indulging in one of its periodic shows of strength, the victims being chosen more or less at random. Or not quite at random—Armitage, unlike Decca, is not in a serious financial condition, and it is not backed by any special interest lobby.

The Thorn/EMI merger was allowed to go through by the Secretary of State despite an OFT recommendation that it should be referred. EMI's stretched finances must have been one factor behind this decision. Perhaps the OFT feels that to let Blue Circle/Armtagei go through as well would in some way give the green light to conglomerate mergers in general.

It is now up to the *Monopolies* Commission to redeem the present system by producing a report that will argue the case for and against industrial concentration of this sort in a way that encourages the development of a coherent policy. In the meantime, Armitage shareholders are in for an uncomfortable ride: yesterday the shares *fell 24p to 77p.*

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